



veranda
resort

PUBLIC COMPANY LIMITED

Veranda Resort Public Company Limited

Annual Report 2020



Veranda collections



"A crafted collection of diverse experiences
in boutique locations with a contemporary touch"

www.verandaresort.com

Vision

Develop hotels, resorts, residence and lifestyle business that focus on customers experience and put great emphasis on design

Mission

Build unique lifestyle business and create Impressive and memorable experience for long-term popularity

Core Value

V

Value

Create maximum value for stakeholders.

E

Entrepreneur

Has a good entrepreneurial spirit.

R

Respect

Respect opinions and needs of all parties.

A

Accountability

Has a good awareness to all stakeholders.

N

Neat

Every creation is exquisite.

D

Development

Develop the organization for relentless

A

Attractive

Has a unique charm that spells every



Significant changes and developments

- Veranda Resort and Villa Hua Hin - Cha Am
110 rooms



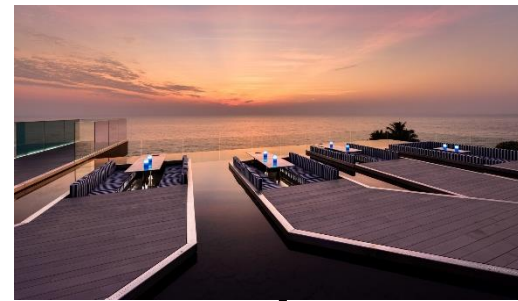
2004

- Opening “So Bangkok”
238 rooms



2012

- Veranda Resort Pattaya Na Chomtien
145 rooms
- Skoop Beach Café Pattaya
- Rocky Boutique Resort 50 rooms



2015



- Veranda the High Resort
Chiangmai 69 rooms
- Launched for sale and started construction of Veranda High Residence Chiangmai



- Launched for sale and started construction of Veranda Residence Pattaya

- Launched for sale and started construction of Veranda Residence Hua Hin
- Skoop Beach Café Hua Hin



- Take Over master Franchise “Gram Pancake” and “Pablo Cheesetart”
- Veranda Resort Public Company Limited was listed on the Stock Exchange of Thailand



2016

2017

2018

2019

2020



- Expansion Veranda Resort and Villa Hua Hin – Cha AM 27 rooms, Total 137 rooms



- “KOF” Café
- Conversion “Veranda Resort Public Company Limited”
- Increase capital from 1,223.41 Million Baht to 1,750 Million Baht



Veranda collection

- Verso Hua Hin 38 room
- Launch “Veranda Collection” brand

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Message from the Chairman of the Board of Directors

In 2020, due to the worldwide pandemic of Covid-19, more than 60 million people had been infected and there were no less than 1.5 million deaths, causing the global economy to be abruptly disrupted. Every business, sector, and organization had to temporarily stop its business. Some business even had to permanently shut down, especially the aviation, hotel, and tourism businesses that were directly affected. Due to the announcement of the lockdown policy to contain the disease, the tourism industry had lost a massive revenue from both domestic and foreign tourism.

However, the Company had adjusted the business plan, marketing strategy, and solved problems that arise to cope with unexpected situations properly, which make the financial situation and overall liquidity of the Company still in acceptable criteria due to many types of business expansion to diversify risks from relying solely on the hotel business.

On behalf of the Board of Directors, I would like to thank all the customers for continued confidence and support for the Company. The Company wishes to build confidence of the shareholders and stakeholders of the Company that Veranda Resort Public Company Limited will strive and develop business along with good corporate governance for the Company's sustainable business growth.



(Mr. Chai Jroongthanapibarn)

Chairman of the Board of Directors

Message from the Chief Executive Officer

2020 marked the year that hotel and tourism businesses were affected by the Covid-19 pandemic across all countries. In the 2nd quarter, Thailand had declared a state of emergency with the flight control measures and announced the closure of hotels, restaurants, tourist attractions in order to prevent and control the spread of the pathogen which had affected the Thai economic figures, especially in the tourism industry that was directly affected by this incident.

For the performance of the Company in the hotel business, it was directly affected by the closure of the country, resulting in foreign tourists unable to travel to Thailand. However, as the hotel group accounted for 30% of Thai customers, the hotel business was still able to generate revenue despite being directly affected by the pandemic situation. The hotel business had continued to show signs of recovery since the government announced easing measures for hotels to reopen, together with the “We Travel Together” project, in which the Company already had a Thai customer base, resulting in the positive return of the Company’s performance after having passed the lowest point in the 2nd quarter of 2020 and was improving as the public was relieved and began to travel to more places. In addition, with the Company spreading its investment risks to businesses in which it had expertise and revenues from real estate development, food and beverage businesses, the Company’s total revenue increased in 2020, compared to the previous year, and had a net profit.

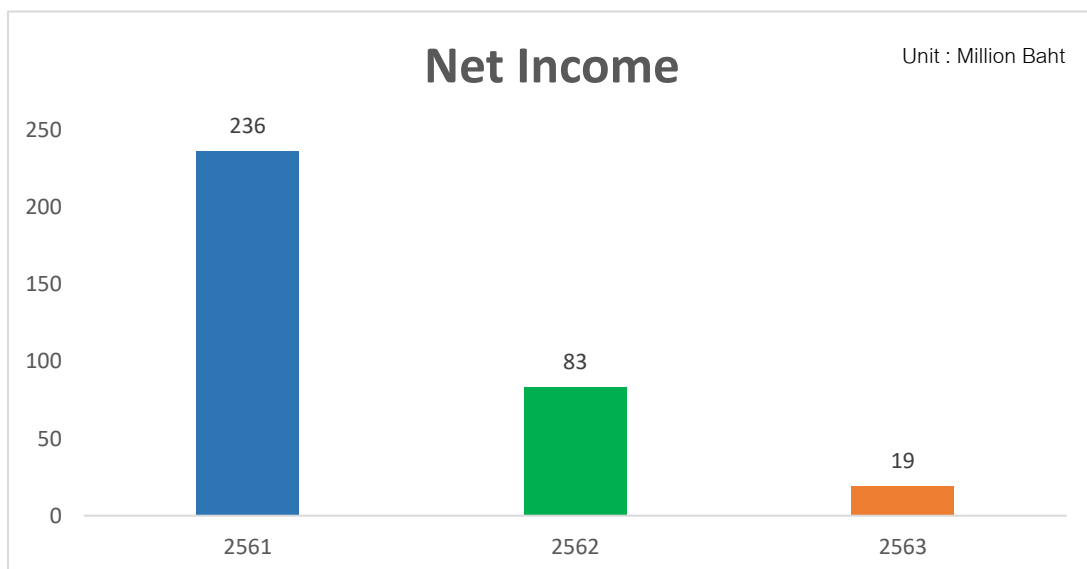
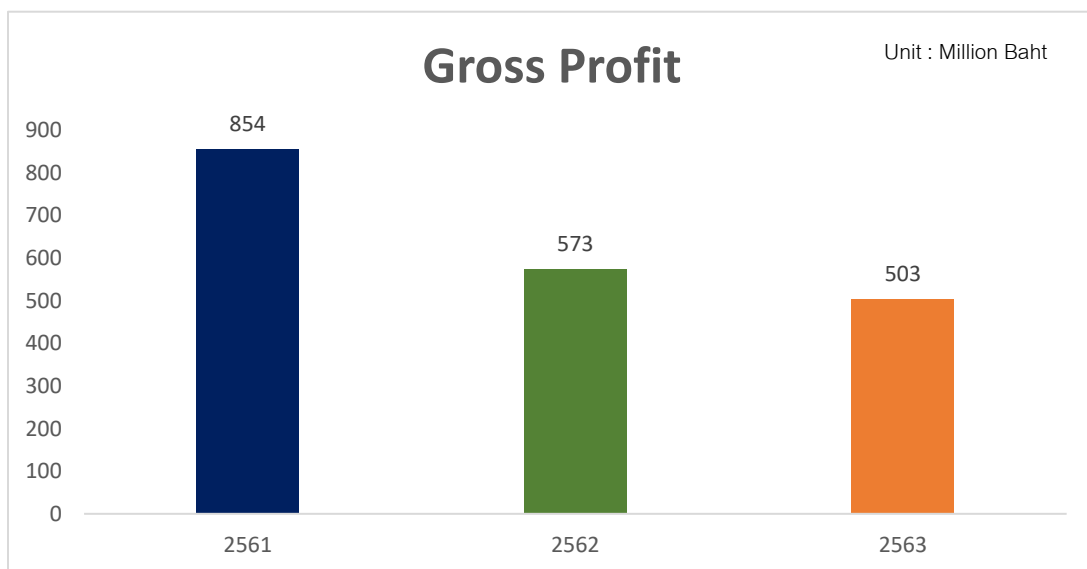
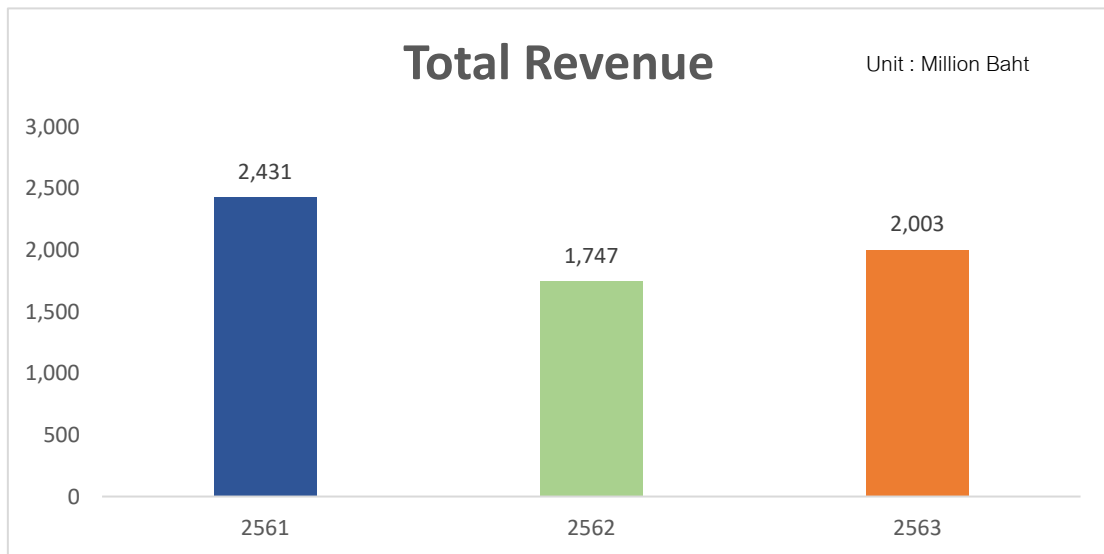
On behalf of the Chief Executive Officer of Veranda Resort Public Company Limited, I would like to thank the Board of Directors, executives, and all employees for using their knowledge and skills to help the organization through this crisis well; and all the stakeholders and shareholders who have always supported the Company. The Company will strive to develop the business for the sustainable growth.



(Mr.Verawat Ongvasith)

Chief Executive Officer

Financial Summary



Financial Summary

Vereanda Resort PCL.

Unit : Million Baht

Descriptions	2018	2019	2020
<u>Performance summary</u>			
Revenue from hotel business	1,313.61	1,252.21	561.61
Revenue from real estate development	1,053.20	370.55	1,260.38
Revenue from food and beverage businesses	20.53	44.83	133.49
Revenue from management service	19.23	28.77	17.97
Total Revenues	2,431.31	1,746.90	2,002.93
Gross Profit	853.59	573.00	473.62
Profit before finance costs and income tax	397.75	166.06	106.17
Net Profit	235.78	83.19	18.67
<u>Statement of financial position</u>			
Total Assets	4,781.37	5,453.62	5,353.62
Total Liabilities	3,440.77	3,364.88	3,284.50
Equity	1,340.60	2,088.74	2,069.25
Earning per share	0.96	0.28	0.06
<u>Important financial ratios</u>			
Liquidity ratio (Time)	1.12	0.92	0.74
Gross profit rate to total income %	35.47	33.77	24.00
Net profit rate to total income %	9.70	4.76	0.93
Return on assets %	7.78	3.24	1.96
Return on equity %	18.89	4.85	0.90
Debt to equity ratio (Time)	2.57	1.61	1.59

Directors Profile



Mr. Chai Jroongthanapibarn

Age 65 years old

Chairman of the Boards / Independent Director / Chairman of Nomination & Remuneration Committee

Academic Qualification

- Bachelor of Accounting, Chulalongkorn University
- Master of Accounting, Thammasat University

Shareholding Percentage 0.05

Professional Certification of IOD

- Director Certification Program (DCP) class. 29/2003
- Audit Committee Program (ACP) class. 4/2005

Work Experiences

2017 – Present Chairman of the Boards / Independent Director / Chairman of Nomination & Remuneration Committee
Veranda Resort Public Company Limited

Other listed Companies

2007 – Present Audit Committee / Independent Director / Risk Management Committee
Siam Food Products PCL.

2006 – Present Audit Committee / Independent Director / Sustainability and Risk Management Committee
Oishi Group PCL.

2548 – Present Chairman of Board / Chairman of Audit Committee
TMT Steel PCL.

2546 – Present Independent Director
Siam Future Development PCL.

2545 – Present Chairman of Audit Committee / Independent Director
Major Cineplex Group PCL.

2543 – Present Chairman of Audit Committee / Independent Director
Team Precision PCL.

Other Companies

- None -



Mr. Verawat Ongvasith Age 50 years old

Vice Chairman of Board / Chief Executive Officer / Chairman of Executive Committee / Acting Vice President of Property Development Department

Academic Qualification

- Bachelor of Business Administration (Honours), Chulalongkorn University
- Master of Business Administration, Boston University, USA

Shareholding Percentage 26.20

Professional Certification of IOD

- Director Accreditation Program (DAP) class. 22/2004

Work Experiences

2004 – Present Vice Chairman of Board / Chief Executive Officer / Chairman of Executive Committee
Veranda Resort Public Company Limited

Subsidiaries

2019 – Present	Director	PDS Holding Co.,Ltd
2015 – Present	Director	Veranda Cuisine Co.,Ltd
2015 – Present	Director	The ISA Resort Co.,Ltd
2013 – Present	Director	Veranda Beach Pattaya Co.,Ltd
2012 – Present	Director	Oak Tree Realty Co.,Ltd
2006 – Present	Director	Oak Tree Co.,Ltd

Other listed Companies

2003 – Present	Director	Siam Future Development PCL.
2001 – Present	Director / Executive Director	Major Cineplex Group PCL.

Other Companies

2018 – Present	Director	Hangiew Holding PTE. LTD.
2018 – Present	Director	Vivat Investment Limited
2016 – Present	Director	VBK Consultant Co.,Ltd
2012 – Present	Director	Ajis Thailand Co.,Ltd
2010 – Present	Director	BLP Holding Co.,Ltd
2005 – Present	Director	VC Land Co.,Ltd
1995 – Present	Director / Executive Director	Subvivat Construction Co.,Ltd



Mr. Paiboon Kujareewanich Age 64 years old

Chairman of Audit Committee / Independent Director / Nomination and Remuneration Committee

Academic Qualification

- Bachelor of Accounting, Chulalongkorn University
- Master of Business Administration, Thammasat University

Shareholding Percentage 0.00

Professional Certification of IOD

- Company Secretary Program (CSP) class. 159/2019
- Director Accreditation Program (DAP) class. 113/2014
- Effective Minute Taking (EMT) class. 10/2008

Work Experiences

2020 – Present Chairman of Audit Committee / Independent Director / Member of Nomination and Remuneration Committee
Veranda Resort Public Company Limited

Other listed Companies

2018 – Present Chairman of Audit Committee / Independent Director
I and I Group PCL.

2016 – Present Independent Director
Chumporn Palm Oil Industry PCL.

2016 – 2018 Member of Audit Committee / Independent Director
Chumporn Palm Oil Industry PCL.

2017 – 2018 Chairman of Risk Management Committee
Chumporn Palm Oil Industry PCL.

2014 – 2017 Deputy Managing Director / Executive Director / Risk Management Committee
Carabao Group PCL.

2014 – 2015 Director
Carabao Group PCL.

2011 – 2013 Executive Director / Risk Management Committee
Oishi Group PCL.

Other Companies

- None -



Assoc.Prof.Siriporn Maneepan Age 51 years old

Audit Committee / Independent Director

Academic Qualification

- Bachelor's Degree in Law, Chulalongkorn University
- Barrister-at-Law, the Thai Bar under the Royal Patronage
- Master of Comparative Jurisprudence (M.C.J.) Howard University, Washington D.C., U.S.A.
- Master of Laws (LL.M.), Temple University, Philadelphia Pennsylvania, U.S.A.

Shareholding Percentage

0.00

Professional Certification of IOD

- Director Accreditation Program (DAP) class. 27/2004

Work Experiences

2020 – Present Independent Director / Audit Committee
Veranda Resort Public Company Limited

Other listed Companies

- None -

Other listed Companies

2563 – Present	Director	Chumpon Bay Hills Co.,Ltd
2563 – Present	Director	Khao Khor Thani Co.,Ltd
2563 – Present	Director	Hin Rong Khla Thani Co.,Ltd
2563 – Present	Director	Phu Nam Fah Co.,Ltd
2553 – Present	Director	Suk Sri Wong Co.,Ltd
2553 – Present	Director	Dragon Tale Co.,Ltd

**Mr. Trairak Tengtrairat**

Age 52 years old

Audit Committee / Independent Director

Academic Qualification

- Bachelor of Business Administration in International Marketing, Chulalongkorn University
- Master of Business Administration, Seattle University, USA

Shareholding Percentage 0.00

Professional Certification of IOD

- Director Accreditation Program (DAP) class. 109/2014
- Corporate Governance for Capital Market (CGI) class. 7/2015
- Advanced Audit Committee Program Class (AAP) class. 15/2014
- Capital Market Academy (CMA) class. 11/2010

Work Experiences

2017 – Present Independent Director / Audit Committee
Veranda Resort Public Company Limited

Other listed Companies

2018 – Present Deputy Managing Director / Chairman of Credit Corporation
Kiatnakin Phatra Bank PCL.

2013 – Present Independent Director / Audit Committee
Sriracha Construction PCL.

Other Companies

2019 – Present Director Kruem Co.,Ltd

2014 – Present Director KKP Capital PCL.

2014 – Present Director Kiatnakin Phatra Securities PCL.

2010 – Present Managing Director Head of Investment Banking and Capital Market
Kiatnakin Phatra Securities PCL.

2008 – Present Director Crystal Football Club Co.,Ltd



Mrs. Tosaporn Angsuwarangsi Age 56 years old

Director / Executive Director / Chief Financial Officer

Academic Qualification

- Bachelor of Accounting, Chulalongkorn University
- Master of Accounting and Finance, Clark University, USA

Shareholding Percentage 3.24

Professional Certification of IOD

- Director Accreditation Program (DAP) class. 22/2004

Work Experiences

2004 – Present	Director / Executive Director / Chief Financial Officer Veranda Resort Public Company Limited
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Subsidiaries

2019 – Present	Director	PDS Holding Co.,Ltd
2015 – Present	Director	Veranda Cuisine Co.,Ltd
2015 – Present	Director	The ISA Resort Co.,Ltd
2013 – Present	Director	Veranda Beach Pattaya Co.,Ltd
2012 – Present	Director	Oak Tree Realty Co.,Ltd
2006 – Present	Director	Oak Tree Co.,Ltd

Other listed Companies

- None -

Other Companies

2018 – Present	Director	Hangiew Holding PTE. LTD.
2018 – Present	Director	Vivat Investment Limited
2012 – Present	Director	988 Plus Co.,Ltd
2010 – Present	Director	Verawat Incorporation Co.,Ltd
2010 – Present	Director	BLP Holding Co.,Ltd
1995 – Present	Director	Subvivat Construction Co.,Ltd

**Mrs. Napasorn Soonthornmanokul**

Age 65 years old

Director / Executive Director

Academic Qualification Diploma, Secretary, YWCA

Shareholding Percentage 2.52

Professional Certification of IOD

- Director Accreditation Program (DAP) class. 137/2017

Work Experiences

2004 – Present Director / Executive Director
Veranda Resort Public Company Limited

Subsidiaries

2019 – Present	Director	PDS Holding Co.,Ltd
2015 – Present	Director	Veranda Cuisine Co.,Ltd
2015 – Present	Director	The ISA Resort Co.,Ltd
2013 – Present	Director	Veranda Beach Pattaya Co.,Ltd
2012 – Present	Director	Oak Tree Realty Co.,Ltd

Other listed Companies

- None -

Other Companies

2013 – Present	Director	Executive Cinema Corporation Co.,Ltd
2010 – Present	Director	Verawat Incorporation Co.,Ltd
2005 – Present	Director	VC Land Co.,Ltd
1990 – Present	Director	Subvivat Construction Co.,Ltd



Mr. Surasak Wongkiattthavorn Age 51 years old

Director / Executive Director / Executive Vice President of Hotel Operation

Academic Qualification - Bachelor of Business Administration, Chulalongkorn University

Shareholding Percentage 0.10

Professional Certification of IOD

- Director Accreditation Program (DAP) class. 137/2017

Work Experiences

2004 – Present	Director / Executive Director
	Veranda Resort Public Company Limited

Subsidiaries

2015 – Present	Director	The ISA Resort Co.,Ltd
2013 – Present	Director	Veranda Beach Pattaya Co.,Ltd

Other listed Companies

- None -

Other Companies

- None -

**Mr. Kittisak Sopchokchai**

Age 66 years old

Director

Academic Qualification Bachelor of Economy, Thammasat University**Shareholding Percentage** 2.46**Professional Certification of IOD**

- Director Accreditation Program (DAP) class. 54/2006

Work Experiences

2004 – Present

Director

Veranda Resort Public Company Limited

Subsidiaries

2008 – Present	Director	Oak Tree Co.,Ltd
2011 – Present	Director	Oak Tree Realty Co.,Ltd

Other listed Companies

2003 – Present	Director / Nomination and Remuneration Committee	Advance Innovation Technology PCL.
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Other Companies

2016 – Present	Director	Tonkoon Development Co.,Ltd
2016 – Present	Director	Villanova Khaoyai Co.,Ltd
2015 – Present	Director	Sureetriboon Development Co.,Ltd
2012 – Present	Director	TOA Electronics (Thailand) Co.,Ltd
2008 – Present	Director	Sureetriboon Holding Co.,Ltd
2006 – Present	Director	KSP Square Co.,Ltd
2006 – Present	Director	Digit Control Co.,Ltd
1996 – Present	Director	Audio Engineering Service Co.,Ltd
1983 – Present	Chairman	Vichai Trading (1983) Co.,Ltd
1985 – Present	Director	Sound System Co.,Ltd

**Mr. Siriwat Vongjarukorn**

Age 52 years old

Director / Nomination and Remuneration Committee

Academic Qualification

- Bachelor of Engineering, Chulalongkorn University
- Honorary Doctorate Degree of Science in Information Technology, Sripatum University

Shareholding Percentage

1.02

Professional Certification of IOD

- Director Accreditation Program (DAP) class. 9/2004
- Director Certification Program (DCP) class. 42/2004

Work Experiences

2017 – Present Director / Nomination and Remuneration Committee
Veranda Resort Public Company Limited

Other listed Companies

2016 – Present Director
Matichon PCL.

2006 – Present Director / Chairman of Executives
MFEC PCL.

Other Companies

2017 – Present	Director	Angstrom Solutions Co.,Ltd
2013 – Present	Director	Promp Now Co.,Ltd
2011 – Present	Director	M.I.S. Outsourcing Co.,Ltd
2005 – Present	Director	Pra In FinTech Co.,Ltd
2016 – 2019	Director	Digital Ventures Co.,Ltd
2017– 2019	Chairman	Panjaluck Pasuk Co.,Ltd

**Ms.Ladda Somsiripornchai**

Age 54 years old

Senior Vice President Accounting

Academic Qualification

- Bachelor of Accounting, Thammasat University
- Master of Business Administration, Thammasat University

Shareholding Percentage

0.02

Certificates of Continuing Professional Development

- TFRS 2/2019 (Minor Course 501) TFRS 16
- TFRS 1/2019 (Minor Course 301) in TFRS 15, TFRIC 17
- Financial Reporting Standards 3/2019

Work Experiences

2016 – Present Senior Vice President Accounting
Veranda Resort Public Company Limited

Other listed Companies

- None -

Other Companies

2010 – 2016 Central Accounting Senior Director K.E, Retail Co.,Ltd

**Mr.Varut Tantipipop**

Age 35 years old

Vice President Corporate Finance / Investor Relations / Company Secretary

Academic Qualification - Bachelor of Finance, Northern Illinois University**Shareholding Percentage** 1.33**Professional Certification of IOD**

- Company Secretary Program (CSP) class. 112/2020

Work Experiences

2017 – Present Vice President Corporate Finance / Investor Relations / Company Secretary
Veranda Resort Public Company Limited

Subsidiaries

2019 – Present	Director	PDS Holding Co.,Ltd
2016 – Present	Director	Hua Hin Pool Suite Co.,Ltd
2016 – Present	Director	Oak Tree Co.,Ltd
2015 – Present	Director	Oak Tree Realty Co.,Ltd
2015 – Present	Director	The ISA Resort Co.,Ltd

Other listed Companies

- None -

Other Companies

2018 – Present	Director	Hangjew Holding PTE. LTD.
2018 – Present	Director	Vivat Investment Limited



Business Overview



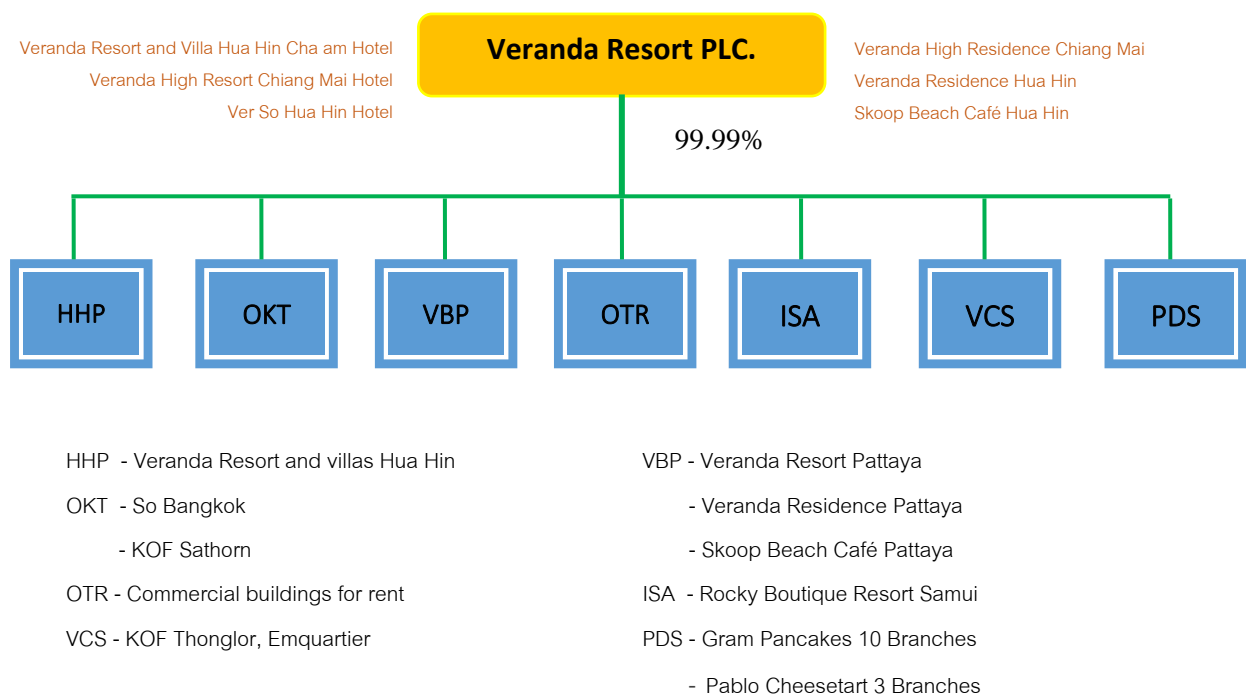
Policy and Over all of Business

Veranda Resort Public Company Limited ("the Company") was established on 10th October 1991 with an initial authorized capital of 1,000,000 baht. Later in 2002, Mr. Verawat Ongvasith's group jointly invested in the Company to operate hotel, real estate, food and beverage businesses under the operation of the Company and was listed on the Stock Exchange of Thailand on 3rd May 2019. At present, there are 7 subsidiary companies: 1) Hua Hin Pool Suite Company Limited ("HHP"); 2) Oak Tree Company Limited ("OKT"); 3) Veranda Beach Pattaya Company Limited ("VBP"); 4) Oak Tree Realty Company Limited ("OTR"); 5) The Isa Resort Company Limited ("ISA"); 6) Veranda Cuisine Company Limited ("VCS"); 7) PDS Holding Company Limited ("PDS") (collectively referred to as "Corporate Group" or Company and Subsidiaries).

Strategies

- ✓ Branding Leverage: utilization of what is available to increase income or add value to the Company whether it is knowledge, expertise, or business relationships with partners and customers of the Company.
- ✓ Big Data Analysis: analysis of information from existing customers of their lifestyles, preferences, interests, so that the Company can offer products and services that meet the customers' needs.
- ✓ Entrepreneur Spirit: cultivating employees' awareness of being a valued part of the Company, love the organization, and have a sense of ownership.
- ✓ Diversification: The Company has several types of business that meet a wide range of customers' lifestyles, so the Company does not have to rely on a single revenue stream. In addition to the fact that the hotels are located in various areas causing the Company to diversify its risks if there are crises in a specific area.

Company Structure



Overall business of the Company

Business Operation overview

The business operation of the company group

The company and its subsidiaries have operated the hotel, real estate development, and food and beverage business. As of December 31, 2020, the company has 6 hotel projects, consisting of 6 hotels that are currently in operation and 1 hotel that is under construction design and permission. The company has 3 residential projects are ready to move in and another is under construction design and permission. Besides, the company group own 17 restaurants and cafés. The details are as follows;

Nature of products and services

The company operates 3 business segments as follows;

(1) Hotel Business

Hotel business consists of hotels and resorts under the operation of the Company, HHP, OKT, VBP, and ISA that focuses on investment in potential locations close to tourist attractions with convenient and various transportation to be in line with the target groups of the Corporate Group. The business also includes providing international standard service based on the attention from professional staff, variety of room selections, and other services such as restaurants, meeting rooms, banquet rooms, swimming pools, fitness, and other facilities under the concept of making each hotel unique according to the Corporate Group's identity to create good experience and memory to customers.

(2) Property Development Business

Property development business consists of low-rise and high-rise residential condominium projects, and pool villas under the operation of the Company and VBP. The Corporate Group focuses on the development of residential condominium projects to meet the needs of the residents in potential locations and pay attention to the unique and distinctive project design which gives the feeling like staying in the Corporate Group's hotel. Moreover, the Corporate Group has established the Customer Service Department to provide after-sales service in order to give the residents good impressions. This agency will provide after-sales services such as a coordination between clients and project legal entity, room inspection, ownership transfer to the residents, etc.

(3) Food and Beverage Business

Food and beverage business consists of restaurants under the operation of the VBP, VCS, OKT and PDS, serving food, dessert and beverage. The Company, VBP, VCS and OKT have created new and unique food and dessert to meet the diverse and exotic needs of the customers, and to provide the customers quality products and services. The PDS owns the main franchise of beverage and dessert shops from Japan, under the names of "Gram Pancakes" and "Pablo Cheesetart".

Hotel Business**1. Veranda Resort & Villas Hua Hin Cha Am**

Veranda Resort & Villas Hua Hin Cha Am covers the total area of 12-2-31 Rai. The hotel consists of 137 rooms, operated on July 2004, where is located at 737/12 Phetkasem Road, Cha Am Sub-disdriect, Cha Am Disdriect, Petchburi 76120, Thailand, which is a designed hotel with the buildings and other facilities. Details are as follows;

1. Restaurants and bars**1.1 Dining Room Restaurant**

The restaurant serves up the breakfast buffet and all-day dining brasserie offering both western and Thai cuisine with choice of seating arrangement- outdoor al fresco on the wooden deck besides the water or shaded indoor with air condition comfort. The restaurant can service maximum of 150 guests.

1.2 I-Sea Beach Bar and Restaurant

I-Sea Beach Bar and Restaurant services a la carte menus for lunch, afternoon break, and dinner with its sleek and sophisticated Asian contemporary architecture. Guests can enjoy choice of seating arrangement either at the restaurant area on the 1st floor or bar area on the 2nd floor where the guests can enjoy the majestic sea view. The restaurant can service maximum of 54 guests.

2. Conference and meeting rooms**2.1 Conferent room**

Consist of 1 conference room which is a multi-purpose room perfect for various types of events. Located at the 1st floor, the room can service the maximum of 200 guests

2.2. Meeting room

Two meeting rooms located at the 2nd floor of the 6-storey building, ideal for meeting up to 25-50 persons.

3. Other services**3.1 Veranda Spa**

The ultimate relaxing spa service The spa is located on the 1st floor of the reception building and the restaurant with the service capacity of 6 guests

3.2 Swimming pool

Large free form infinity pool located at Cha-am Beach with artificial beach, water slider, water curtain features, and huge-size slider under the natural shade of mature trees. The pool bar serves cool refreshing drinks and tasty snacks throughout the day with the panoramic view of Cha-am

3.3 Fitness

The fitness center equipped with multigym equipment including treadmills, static bike, cardio area, and weight lifting machine. The guests can use the fitness center from 7.00 hrs.– 20.00 hrs. The fitness can serve a maximum of 5 guests

3.4 Kid's club

Kid's club is dedicated to the space for children's creative playing and learning and a are skills and intelligence enhancement, suiting for spending their quality time. Kid's club features a range of education toys and daily programs of indoor and outdoor activities to entertain the children under the supervision of well -trained hotel's staffs. Located at the 1st floor of the hotel building, kid's club can service up to 10 kids.

2. Veranda The High Resort Chiang Mai

Veranda the High Resort Chiang Mai covers the total area of 22-2-18 Rai. The hotel consists of 71 rooms, operated on July 2004, where is located at 192 Moo 2 Samerng-Hangdong Road, Bangpong Sub-district, Hangdong District, Chiang Mai 50230, Thailand which is a designed hotel with the buildings and other facilities. Details are as follows;

1. Restaurants and bars

1.1 The Higher Room Restaurant

The restaurant offers a breakfast buffet and a la carte for lunch and dinner. The guests can have the choice of Thai, European, as well as premium wine from Thailand and abroad. The restaurant can service the guests a maximum of 100 people

1.2 Rabiang Cha restaurant

The restaurant offers a la carte emus of fusion of Lanna Thai cuisine with a modern touch. The guests can have the choice of seat either in the barn or outdoor terrace. The restaurant can service up to 60 persons.

1.3 Lobby Bar

Lobby Bar serves all kind of beverage including soda, alcohol drink, fruit juice and coffee, Located at the 1st floor of reception building, the bar suits for the guests who are waiting for checking-in and checking-out. The resort's Lobby Bar offers a scenic view of the restaurant and the surrounded valley

2. Conference and meeting rooms

2.1 Conference room

The hotel service the 1 private conference room which can by adjusted to use for many functions, a perfect venue for all type of event. The conference room is located on the 1st floor of the reception building and can service up to 160 people.

2.2 Meeting room

Hotel's meeting room is a perfect venue for meetings and seminars, offering 3 types of the rooms as follows;

- Boardroom 1 with the size of 36 sq.m located at the lower floor of the reception building. The room can service a maximum of 10 people
- Boardroom 2 with the size of 36 sq.m located at the lower floor of the reception building. The room can service a maximum of 10 people
- The conference room with a size of 300 sq.m located on the 1st floor of the reception building. The room can service a maximum of 160 people

3. Other services

3.1 Veranda Spa

The ultimate relaxing spa service with the relaxing ambience of the nature setting. The guests can indulge in the true natural experience where they can enjoy the relaxing and peaceful atmosphere. The spa offers twin treatment beds ideal for couples. Located at the 2nd floor at the activity building, the spa can service up to 6 guests

3.2 Swimming pool

Hotels' infinity pool is on the 4th floor of the activity building over looking the valley. The guest can enjoy the ultimate panoramic view of the valley. A children's pool is also available for a young guest as well as the bar beside the pool.

3.3 Fitness

The fitness center equipped with a multigym equipment's. The fitness is located on the 2nd floor of the activity building can serve a maximum of 10 guests.

3.4 Kid's club

Kid's club area is dedicated to a learning space for children. It offers A range of educational toys and daily programs of indoor and outdoor activities to entertain the children

3.5 Cultural Pavilion

Cultural Pavilion is an open space for various activities including yoga, meditation, cultural learning. The Cultural Pavilion is located in the front of the activity building and can service of the maximum of 15 guests

3. SO Bangkok Hotel

SO Bangkok Hotel covers the total area of 2-1-37 Rai, operated on April 2012 where is located at 2 North Sathorn Road, Bangrak Sub-district, Sathorn District 10500 Bangkok, Thailand. The hotel offers a choice of 8 types 238 rooms which is a designed hotel with the buildings and other facilities. Details are as follows;

1. Restaurants and Bars

1.1 Chocolab

Chocolab serves up the mix flavors and types of chocolate made with premium ingredient by the seasoned chef of the hotel. The area of Chocolab consists of the chocolate kitchen where the guests can observe every process of making chocolate behind the glass windows. The guests can also select whether to eat the well-decorated chocolate at the hotel or order to take home as a gift. Beyond that, the guests can sign up for chocolate cooking class. Chocolab is located at the ground floor with the space for up to 30 guests.

1.2 Red Oven Restaurant

Located at the 7th floor of the hotel, Red Oven offers the buffet breakfast, lunch, and dinner. Red Oven features a wide array of food choices including Thai, Japanese, Chinese, seafood, healthy food and desserts prepared by experienced chefs. Besides, Red Oven serves the selection of premium wine and champagne from Thailand and abroad. From the restaurant, the guests can enjoy the scenic view of Lumpini Park and panoramic view of Bangkok with the option of seating arrangement either indoor or outdoor. The restaurant can service for up to 120 guests.

1.3 Mixo

Located at the 9th floor of the hotel, Mixo is designed to be a venue for hanging out for Bangkokians. It serves tea set, alcohol drinks, and desserts. Mixo's ambience is relaxing and suits to be social lounge for casual meet for the millennials. The guests can try to create their own drink with unbeatable panoramic park view of Bangkok. The restaurant can service for up to 78 guests.

1.4 The Water Club

The Water Club serves all kind of drinks including cocktail, fruit juice, and alcohol drink. The bar area of The Water Club is surrounded by the swimming pool at the 10th floor of the building. Expect to join the specialty here monthly or in special occasion. The restaurant can service for up to 50 guests.

1.5 Hi-So Rooftop Bar

Located at the 29th floor of the hotel, Hi-So Rooftop Bar serves tailor-made a la carte dinner and all kind of drink including alcohol drinks and fruit juice. The guests can pick the selection of food ingredients sand the chef will cook specially for them. The restaurant can service for up to 150 guests.

1.6 KOF

KOF serves kind of coffee drinks, other drinks and desserts under “Grab & Go” concept. The guests can pick the seating either in or out the shop. KOF can service for up to 20 guests.

2. Conference and meeting room

2.1 Ballroom

The Ballroom is a perfect venue for banquet and big private meeting with the multi-functional equipment suit for all type of event which tailor-made for each group. The event consultant experts are also available for any event at the hotel. Located at the 8th floor of the hotel, the venue allows the technology conference and can service up to 400 guests

2.2 Social Club

Comprising of 4 separate meeting rooms and an accommodating pre-function space, Social Club is surrounded with the relaxing ambience of Lumpini park. Inside Social Club is the open-kitchen lounge ideal for guests to mingle with technology Conference available

2.3 The Box

The Box provides a personal space where is nestled away in a corner on the 9th floor and surrounded with the walls of glass, offering an uninterrupted panoramic view of Lumpini Park. Also, technology conference is available at this venue.

2.4 Solution Center

The medium size meeting room and private working room with a separate meeting room inside and a number of facilities including computer, printer, scanner and private assistant, ideal place for working and meeting.

3. Other services

3.1 SO/ SPA

SO/ SPA offers the ultimate spa treatment with the concept of worldwide spa techniques combining with the best spa products from France. The guests can spend a relaxing time at SO/ SPA on the 11th floor at the hotel where it can service up to 40 guests.

3.2 Swimming pool

Extending over 32 meters on the 10th floor, SO/ Bangkok's infinity swimming pool is 5-meter wide and 1.3 meter deep. From the pool, the guests can enjoy the panoramic view of Lumpini park. At the nighttime, underwater LED lights will create ever-changing shades of vibrant color for a joyful swimming experience

3.3 SO/ FIT

SO/ FIT fitness center offers a range of innovative activities and the high-quality technogym fitness equipment under the guidance of personal trainers. Located at the 10th floor of the hotel, SO/ FIT is opened 24 hrs. and can service up to 30 guests

4. Spaces for rent

4.1 Hotel's G floor is rent out for the decorative shop

4.2 Hotel's 10th floor is rent out for beauty salon

4.3 Hotel's 12th floor is rent out commercial banks

4.4 Hotel's sidewall is rent out for LED advertising board

4.5 Hotel's 29th floor is rent out for “Cassette” foods and beverages

4. Veranda Resort Pattaya Na Jomtien

Veranda Resort Pattaya Na Jomtien covers the total area as appeared on title deed of 5-2-22 Rai. The hotel offers a choice of 145 rooms where is located at 211, 221/1, 221/2 Moo 1 Na Jomtien Soi 4 Road, Na Jomtien Sub-district, Sattahip District, Chonburi 20250, Thailand which is a designed hotel with the buildings and other facilities. Details are as follows;

1. Restaurants and Bars

1.1 The Deck Restaurant

The Deck Restaurant serves breakfast buffet and a la carte menu for lunch and dinner which the guests can choose the wide array of choices of Thai and Western food. The guests can select to sit both indoor or nearby the pool with the capacity of up to 160 guests.

1.2 Waves

Located the pool area of the hotel, Waves serves up all kind of beverage including alcohol drink, soda, and fruit juice. The guests can order the drink whilst they can enjoy the signature design of the pool.

1.3 I-Sea Sky

I-Sea Sky serves a la carte menu for lunch, afternoon break, and dinner where the guest can sit at the 2nd floor of the restaurant and can enjoy the scenic view of Pattaya beach.

1.4 The Jetty

The Jetty features a la carte menu for afternoon break and fusion-style dinner. Located at the 5th floor of the hotel, The Jetty is surrounded with the water enabling the guest to feel like they sit on the water where they can enjoy the uninterrupted view of Pattaya Beach. The Jetty can service up to 25 guests.

1.5 The Glass Room–Espresso Bar

The Glass Room–Espresso Bar serves desserts and beverage with the relaxing and warm atmosphere with the glass wall design. The guests can have a choice of seating arrangement both indoor and outdoor. The Glass Room - Espresso Bar features more than 8 types of desserts and beverages which they can service up to 28 guests.

1.6 Skoop Beach Café

Skoop Beach Café

The seaside café was designed to serve the customers who want to experience the seaside atmosphere, along with sitting and having snacks and drinks that the menu has been designed in a cute style. Skoop Beach Café can accommodate a maximum of 40 guests indoor and outdoor.

2. Conference and meeting rooms

2.1 Conference room

The hotel consists of 1 Conference room which could be used for multi purposed and is an ideal venue for all type of event. Located at the 7th floor of hotel building, the conference room and service up to 200 people

2.2 Seminar room

The hotel offers 1 seminar room suit for the meeting at G Floor of the hotel building where it can service up to 50 people

3. Other services

3.1 Veranda Spa

Veranda Spa offer the ultimate spa experience with relaxing atmosphere for the true relaxing spa journey. Located at the 2nd floor of the hotel, the spa is decorated in the contemporary Thai design where it can service up to 8 guests

3.2 Swimming pool

Hotel's Infinity Pool swimming pool enables the guests to indulge in the panoramic view of Pattaya beach. They can enjoy the service of the pool bar serving all-day beverage and snack

3.3 Fitness

The fitness center equipped with a multigym equipment's including treadmills, static bike, and weight lifting machine. The fitness is located at the 2nd floor of the hotel building and can service maximum of 12 guests.

5. Rocky's Boutique Resort

Rocky's Boutique Resort project covers the area of 7-3-65.9 Rai. The hotel offers a choice of 50 rooms where is located at 438/1 Moo 1, Maret Sub-district, Koh Samui District, Suratthani 84310, Thailand, which is a designed hotel with the buildings and other facilities. Details are as follows;

1. Restaurants and Bars

1.1 The Dining Room

This place offers a selection of breakfast buffet line, an A la cart for lunch, Thai contemporary dining experience and international cuisine. Besides the exquisite Thai decoration and atmosphere, the Dining Room shares a magnificent sea view with a maximum service of 120 guests at a time.

1.2 The Bistro Restaurant

The Bistro Restaurant serves up a wide range of A la carte menu at lunch, a selection of afternoon snacks and a savory taste of dining, with options for indoor seating areas and outdoor tables by the pool for up to the maximum of 60 guests.

1.3 Pool Bar

Pool Bar welcomes its guests with a variety of drinks, from soft drinks to alcoholic beverages. The bar sits on a marvelous location by the hotel poolside near the Bistro Restaurant where options of poolside tables are offered with a maximum service of 60 guests.

1.4 The Glass Room–Espresso Bar

This is the place for the finest choices of dessert and coffee for a real lover. The Glass Room-Espresso Bar also lays a stylish decoration of tall glasses all around where its guests can enjoy a variety of desserts and menus of more than 9 choices of beverages with a fantastic sea view. The maximum service is 10 guests at a time.

2. Conference and meeting rooms

2.1 Conference Room

The hotel arranges a personalized conference and meeting room that is suitable for specific occasions, well located on the second floor of the Dining Room with a maximum capacity of 80 guests

3. Other services

3.1 Spa and Thai massage

Make every holiday count with this traditional spa and Thai massage from the team of qualified masseuse guaranteed by professional certificates for Thai massage and oil massage. This spa and Thai massage place also offers a wonderful surrounding of the garden and tall trees, giving its customers a body and soul relaxation beneath the soothing atmosphere, with a maximum service of 2 guests.

3.2 Swimming Pool

There are two swimming pools within the hotel, one is located nearby the beachside with a wonderful sea view, and the second sits amid the garden. Customers can also enjoy the hotel's pool bar where beverages and snacks are served all day.

3.3 Kid's Club Kid's Club provides educational and skill-practice toys, games and books for children, locates inside the one-storey building with a maximum capacity for 10 at a time.

3.4 Garden Sala

Garden Sala welcomes all guests with its open area for personal leisure and cultural learning activities for the guests.

6. Verso Huahin Hotel

Verso Hotel Hua Hin is a subsidiary of Veranda with the total land area according to the title deed of 3-1-0.0 rai, opened in December 2020 with 38 rooms. The hotel is located at 122/210, Soi Khao Takiab Village, Khao Takiab Road, Nong Kae Subdistrict, Hua Hin District, Prachuap Khiri Khan Province. The hotel offers the following amenities for the customers:

1. Restaurant and Bar

1.1 The Dining Room

Serves breakfast buffet and a la carte for lunch and dinner with a selection of Thai and Western food. The restaurant can accommodate a maximum of 40 guests.

1.2 The Page Beach Bar

Serves a la carte for lunch, contemporary snacks for afternoon, and dinner in Spanish, Mexican, Italian, and Thai styles. The Page Beach Bar can accommodate a maximum of 25 guests.

1.3 Skoop Beach Café

The seaside café was designed to serve the customers who want to experience the seaside atmosphere, along with sitting and having snacks and drinks that the menu has been designed in a cute style. Skoop Beach Café can accommodate a maximum of 40 guests indoor and outdoor.

2. Conference and meeting rooms

2.1. Executive Board Room

Provide meeting and seminar venues, consisting of 1 meeting room that can accommodate a maximum of 16 people with a view of the swimming pool and relaxing ambience.

3. Other Services

3.1 Verso Spa

Provide a full range of spa treatments. The Verso Spa is located on the 1st floor of the building, separated from the main building and near the swimming pool. The spa can accommodate a maximum of 4 guests.

3.2 Swimming Pool

The hotel has 4 outdoor swimming pools with 1 kid's pool where the kids can enjoy the water slides; and 3 adult pools with a design suitable for the customers who like to take pictures that no matter which angle it takes, it is exotic with the atmosphere of relaxing by the sea.

3.3 Fitness

Hotel fitness center consists of a variety of exercise equipment, where the customers can use the fitness center from 7.00 AM to 8.00 PM. The fitness can accommodate a maximum of 5 guests.

3.4 Kid's Club

Kid's club is a space that will encourage children to play and learn creatively. Within the Kid's club area, there will be hotel staff taking care of the children who come to use the service. The Kid's club is located on the 1st floor of the same building where the Verso Spa and fitness are located, and can accommodate up to 5 children.

Real Estate Development Business

The Company's group conducts the real estate development business, both low rise and high rise condominiums, under the operation of the Company and VBP, and attaches importance to the location of the projects, i.e. in tourist attractions or tourist destinations of Thailand under the "Veranda Residence" brand. In this regard, the Company's group aims to give each residential condominium project Veranda's unique style by taking into consideration the project's location and environment. The design would be done under the "Modern Contemporary Architecture" concept that takes into account the residents' utility as the main consideration. The Company thus exercises care in every step of the design and considers the construction quality as well as the differences in the presentation styles of each project, in order for the residents to feel as if they are receiving services from the Company's group's hotels – the feature that sets them apart from that of other typical residential condominium projects. The details of the real estate development business operation of the Company's group are as follows:

The completed development project and in process of sale

1) Veranda High Residence Chiang Mai	
Address	Veranda High Residence Chiang Mai Samerng-Hang Dong Road, Baan Pong Subdistrict, Hang Dong, Chaing Mai 50230
General Information	The company initiated the development for the project of Veranda High Residence Chiang Mai as a first Low-Rise residential property.
Project Area	6-0-0.0 Rai
Project Category	Low Rise Residential Property (3-Storey) and 3 units of Presidential Pool Villa
Unit	30 units and 1 units of Presidential Pool Villa
Price Per Unit	Approximately 6.62 – 23.18 Million Baht
Project Strength	Veranda High Residence Chiang Mai introduces Chiang Mai a Low-Rise residential property with its Modern Contemporary design and outlook, located in a commuting distance to the Chiang Mai International Airport and other tourist spots in the city. The project also provides facilities with partial luxurious services at Veranda Chiang Mai the High Resort, for instance, accessibility to an outdoor swimming pool, fitness suite and Kid's club. The project also includes a wonderful option of Presidential Pool Villa for those who seek an exclusive experience amid the nature in Veranda High Residence.

2) Veranda Residence Pattaya	
Address	Veranda Residence Pattaya 211 Moo1 Na Jomtien Soi4 Na Jomtien Subdistrict, Pattaya, Chon Buri 20250
General Information	VBP launched the development of Veranda Residence Pattaya as a first High-Rise residential project in 2015 and finished the construction in the third quarter of 2017
Project Area	3-1-88 Rai
Project Category	A 35-Storey High Rise residential property with 4 units of Pool Villa
Unit	329 units
Price Per Unit	Approximately 3.4 - 27.2 Million Baht

Project Strength	Veranda Residence Pattaya introduces a modern contemporary High-Rise residential property with the company's resort-style format. Every unit of the property can experience a touch of holiday relaxation through a sight of the sea view and a beach front connected to the property area. Veranda Residence Pattaya also provides a magnificent set of facility and service as to the hotel standard of Veranda, including 40-metre long swimming pool, spacious communal area, fitness suite, steam room, garden and parking space.
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3) Veranda Residence Huahin	
Address	Veranda Residence Huahin, Khao Takiap Road, Nong Kae, Hua Hin District, Prachuap Khiri Khan 77110
General Information	This project has been under development and continuing a presale process, aiming to present the company's second Low-Rise residential property. The construction began in the first quarter of 2018, due to finish the development in the second quarter of 2020
Project Area	11-0-81 Rai
Project Category	5 Buildings of A Low Rise (3-7 Storey) Residential Property with 1 Parking Building
Unit	270 Units
Price Per Unit	Approximately 4.4 - 38.0 Million Baht
Project Strength	Veranda Residence Huahin presents a Low-Rise residential property project with its modern contemporary design concept. This project allowing the resident to live close to nature and serenity with connecting beach front. Veranda Residence Huahin also handpicks pieces of furniture in an exquisite Quattro Design laying a stylish sense of living as well as accommodates excellence of facilities including one of the largest swimming pool in Huahin and fitness suite. The location of this project sits on a prime area of Huahin, providing convenience in traveling and close to the hospital, shopping malls and tourist famous spots.

Food and beverage business

The Company's group's food and beverage business is conducted under the operation of the Company, VBP, VCS and PDS. The food and beverage business includes restaurants and dessert cafés under the name Skoop Beach Café at Pattaya and Hua-hin branches, a dessert café under the name KOF a dessert café under the name Gram Pancake, a dessert café under the name Pablo Cheesetart. Gram Pancake and Pablo Cheesetart joined the Company's group through investment in PDS in November 2019. The details of the food and beverage business operation are as follows:

1. Skoop Beach Café	
Brand	Skoop Beach Café
Type of Business	Food, Dessert and Beverage
Branch	2 Branches
Type of Service	<p>Skoop Beach Café represents a restaurant serving menus of food, dessert and beverage under the concept of 'chillaxation', aims to approach various target groups. At Skoop Beach Café, customers have options of an indoor or an outdoor seating area, either faces the beach front with a maximum service of up to 50 customers per branch. Skoop Beach Café comes with menus on the list, put into categories as follow,</p> <ul style="list-style-type: none"> - Food menus consist of home-like dishes such as Mac&Cheese, Savory French Toast, Sweet Potato Truffle Fries etc. - Dessert menus include a Home made ice cream, Ice Cream Sandwich, Nutella French Toast, selection of Waffles etc. - Fancy Drinks such as Skoop Iced Tea, Shakes, Smoothies etc.

2. KOF	
Brand	KOF
Type of Business	Beverage and dessert
Branch	3 Branches
Type of Service	<p>KOF operates a beverage and dessert business providing excellent service through its menu including coffee, other drink menus and dessert. Using the concept of “Grab & Go”, KOF makes use of spaces through modern contemporary design where customers can sit inside or outside the cafe with a maximum service of 20 customers per branch. This menu also comprises more than 20 categories of tasty selection as follow,</p> <ul style="list-style-type: none"> - Choices of beverage such as KOF Kone, Camo Latte, Marocchino and Belgian Chocolate - Dessert menus, for instance, Chocolate Canale and Croissant

3. Gram Pancakes	
Brand	Gram Pancakes
Type of Business	Beverage and dessert
Branch	10 branches
Type of Service	<p>Gram Pancakes operates a beverage and dessert business providing excellent service through its menu including coffee. Main menu is Pancake. The highlight is the soft and fresh. Design in minimal Japanese style concept Suitable for relaxing and taking photos on Social Network.</p> <ul style="list-style-type: none"> - Premium Pancakes, a famous bouncy, soufflé-like and warm pancake from Osaka presents a different texture by using 20 minute slow-baked technique and handpicked Japanese ingredients to maintain its premium quality, fresh-baked smell and exclusive taste for the customers - Premium To Go offers a to-go option for GRAM pancake fans where they can enjoy its warm bouncy Premium Pancakes with extreme fillings of Nama Milk Cream in the middle, available for a takeaway or through delivery service applications: Grabfood, Lineman and Foodpanda

4. Pablo Cheesetart	
Brand	Pablo Cheesetart
Type of Business	Beverage and dessert
Branch	3 Branches
Type of Service	<p>A dessert cafe runs under the name of “Pablo Cheese tart”, offering selections of dessert and beverage. Its famous Cheesetart menu becomes unique by the taste and aromatic smell of cheese and seasonal menus for special occasions. Pablo also comes up with the concept of “Grab & Go” which requires less space for shops and more convenient for a pop-up kiosk for the events</p>
Business Strengths	<ul style="list-style-type: none"> - A taste of an original Cheese tart from Osaka, Japan which provides a delicate melt-in-the-mouth texture, daily baked and always served warm for its best - A variety of menus including cheese tarts, cookies, wafers, beverages and ice creams with numbers of flavor

Marketing and Competition

Marketing of the Company

Creating a service identity and trademark to be recognized and remembered by the customers (Brand Awareness)

The Corporate Group focuses and dedicates itself to create a unique identity of hotel service and residential condominium projects under the concept of Modern Contemporary design which creates memories for customers. With the service quality according to the standards of the Corporate Group that are different from other service providers makes it possible to attract current customers and new customers to use the service.

The Corporate Group has designed the hotel and residential condominium projects in accordance with the identity of the Company by partnering with well-known architectural and engineering design companies in the country. For example, the rooms are designed to feel the comfort of home by utilizing the maximum usable space, decorating the garden and the hotel area to have a clear view of the nature, as well as the unique design of the “Infinity Pool” that represents the Corporate Group’s identity. Moreover, it has been marketing to create awareness and recognition of the hotel styles and the Company’s trademark through marketing on various online media. It creates word of mouth and makes the service and trademark of the Company become well known and be able to create memories in a wide range of consumers. This can be evidenced by the constant increase in the number of followers through the Corporate Group’s social media channels such as Facebook and Instagram. As of 31st December 2018, there were more than 380,000 followers in Facebook and 40,000 followers in Instagram.

With the above-mentioned uniqueness, the hotel and residential condominium projects of the Corporate Group has consistently received good feedback from customers since the opening of Veranda Resort Hua Hin, Cha Am in 2004, one of the first “Designed Hotel” in Hua Hin. The hotels of the Corporate Group also have received several awards related to service and design.

Hotel and residential condominium projects of the Corporate Group locate in potential areas and popular tourist destinations in Thailand

The Corporate Group gives great importance of area selection or locations of the hotel and residential condominium projects. It must be an area with beautiful natural scenery, an important tourist city in Thailand, a popular economic zone for both Thais and foreigners with convenient transportation systems for customers to get satisfaction from beautiful natural scenery and convenience in traveling for a vacation or stay in the hotel or the condominium projects of the Corporate Group. In addition, the Corporate Group takes into account the customers who use the service; therefore, spread the hotel and residential condominium projects into various locations that cover major cities or the main tourist destinations in Thailand. And, if affected by external factors such as natural disasters or political unrest, the customers are able to use the hotel services in other areas of the Corporate Group.

The Corporate Group pays attention to maintaining a competitive advantage and emphasize on using existing strengths to extend the business of the Corporate Group.

The Corporate Group starts with the development of hotel projects. The goal is to expand room service business to be more diverse in terms of both existing business expansion and expanding into new businesses in the real estate industry and tourism by drawing on the strengths of the Company. With the potential and ability to operate the hotel business, experience, expertise and

strong branding, the Company has expanded to develop the real estate projects in the category of residential condominium projects in the area adjacent to the Company's hotel. The projects bring out the ambience and the hotel's stunning "Blended Design" with complete facilities as if the residents use a hotel service every day as the selling points for the Corporate Group's real estate projects. The Corporate Group also works with Accor, a world-class hotel manager with experience in operating more than 110 hotels in more than 40 countries around the world, to manage SO Sofitel Bangkok and conduct marketing operations for the Corporate Group. Accor will (1) operate the room management system by applying the Reservation System to the hotel booking process of the Corporate Group; (2) conduct sales and marketing operations, where Accor will present and share information and marketing expertise from both domestic and internal markets to the Corporate Group's Marketing Department; and (3) manage the hotel, where Accor will be the Hotel Manager, as well as recruit employees with knowledge, capability and expertise for the Corporate Group (please see more details in Item 2.2.8: Other important information, Item 8.2.1.1: SO Sofitel Bangkok Hotel Management Agreement, and Item 8.2.1.2: Franchise Agreement for Veranda Resort Hua Hin Hotel, Veranda Resort Pattaya and Veranda The High Resort Chiangmai, except Rocky Boutique Resort that the Corporate Group will operate itself). This alliance is one example that will help the Corporate Group has more potential in hotel management operations. It helps to expand the customer base of the Corporate Group through the Accor's website, make the hotels become more famous, and confirm the service standards. In addition, the Corporate Group's partnership with Accor's M gallery by Sofitel, a unique collection of Design Hotels around the world which provide detailed hotel information and booking system through the Accor and M gallery by Sofitel's websites, helps the Corporate Group's hotels become well-known and be able to attract both current customers and new customers to constantly use the hotel service. The Corporate Group is ready to expand its business and customer base in the future, such as expanding business into tourist destinations or various economic zones in Thailand, including extending and developing the ability to provide services in other related businesses such as food and beverage.

Management by experienced and skilled executives

The Corporate Group's management team has an average of more than 15 years of experience in the hotel management and real estate. Most of the management team have started working for the Corporate Group since its establishment in 2002 which is a key factor that provide the management team of the Corporate Group a strong understanding of the hotel and real estate industries in terms of land acquisition, study of project feasibility, financing, selection of contractors, construction projects, marketing operations, including laws and regulations related to business operations, supervision and management of the Company's business in order to generate appropriate returns in the future.

Company's competitive strategies

Location of the project

The Corporate Group emphasizes on the project's location as the first priority in the project development because it is the most important factor for the hotel business and property development. The Corporate Group is one of the pioneers and one of the leaders in the project development of land with potential in the future at an appropriate price level. Such locations must have beautiful natural scenery, interesting attractions in the area, near tourist destinations or a city of tourism that can easily travel, close to major transportation systems, and surround by a variety of utilities such as hospitals and department stores to fully meet the needs of

customers. All of these can be seen from the project development of Veranda Resort Hua Hin in Cha Am District, Phetchaburi Province.

Moreover, as the Company operates and grow mainly from the hotel business, the Company has a guideline for considering the land potential. The land must locate in a suitable area with sufficient size and physical characteristics for the project development. And if a potential land is large enough for the development of both the hotel and real estate projects, the Corporate Group will continue to develop the hotel project along with the real estate project (Mixed Use).

Products/Services

The Corporate Group has an idea for the development of the hotel projects and use a unique design under the concept of Modern Contemporary which combines modern design and perfectly blend and balance various pieces under the architectural design of the “Designed Hotel” for each hotel of the Corporate Group to stand out and attract customers to use the service. Moreover, the hotels of the Corporate Group have been designed by some of the nation’s renowned engineering and architectural designers, architects, decorators, and land designers. For example, Veranda Resort Pattaya has been designed under the concept of “Life by the sea” that makes each part of the hotel relevant to life and sea. The Corporate Group also give importance to the design and decoration of the landscape around the project, such as decorating garden or area for the scenery of the sea or mountains to match with the needs of the target customers. The hotel projects also comprise of restaurants and various facilities such as the uniquely designed “Infinity Pool”, which represents the Corporate Group’s identity, spa services, fitness room, kid’s club, library, etc. to provide the customers a variety of services and additional activities other than relaxing within the hotel premises to meet the needs of customers of all genders and ages.

For the residential condominium projects, the Corporate Group has an idea to develop both low-rise and high-rise residential condominium projects under the concept of Modern Contemporary to create the difference and for a competitive advantage. The Corporate Group takes into consideration the design in order to give the residents the most out of the design and to match the residents’ lifestyles. Layout of the rooms and common facilities of the project such as swimming pool, fitness room, and central living room are in beautiful modern design and consistent with the decoration styles of the Corporate Group. Moreover, the project is also designed to be close to the nature, allowing the residents a panoramic view of the sea or surrounding mountains. The residents can also use other services of the hotel.

Pricing

For the hotel projects, the Corporate Group has guidelines for setting room rates and service fees by considering the suitability of the market price, travel seasons, needs of the customers, as well as service costs. The Corporate Group will determine the price that is suitable for the quality of the service and the image of the hotel. A price increase strategy may be used based on the room availability, amount of remaining time before check-in, and increasing demands of the customers. The Corporate Group may also use a price reduction strategy at certain times to stimulate sales and access the hotel services during low seasons or weekdays other than weekends within the framework of the Company’s approval process.

For the residential condominium projects, the Corporate Group has guidelines for determining the selling price of each project to be suitable for the target group because housing is a high-price asset in which the customers have to consider and take time to make decisions. The determination of the selling price is based on the cost of land, construction costs, locations of the project, facilities, as well as identity and image of the Corporate Group. It must be the price that the Corporate Group able to obtain a reasonable rate of return and can compete with other operators nearby. The Corporate Group will determine the preliminary selling price of the condominium units since the study of project feasibility; and will set the actual selling price again after the project is launched. The price for each residential unit is different depending on the scenery, location and size of the room, and sales period. Therefore, the selling price will increase steadily since the project starts selling, during construction and until the construction is complete, based on customer demands and the economic and competitive environment of the Corporate Group.

Marketing and promotion

The Corporate Group has sales and promotion strategies with appropriate approaches to communicate with customers through multiple channels for maximum efficiency so that the target customers can receive the content thoroughly and be able to memorize and access information of the Corporate Group's projects. The Company has chosen a variety of public relation channels to cover as many target customers as possible. The marketing communication channels are divided into two main channels as follows:

1) Offline Channel

(1) Newspaper and Magazine

The Company uses print media to advertise the hotel and residential condominium projects of the Corporate Group to promote hotel construction concept, residential condominium projects, room layout, facilities, restaurants, activities in different columns of the publications.

(2) Outdoor Media

The Company uses outdoor media to stimulate and reinforce customer recognition of the Company's trademarks and services because outdoor media is a medium that consumers can easily observe and access and also in line with changing consumer behavior.

(3) Exhibiting booths in conjunction with various exhibitions

The Company uses the exhibition booths in conjunction with various exhibitions such as Thai Teaw Thai Fair, Thai Food Festival, etc. to publicize the Company. It is one of the channels that can reach the target customers well and help expand the customer base of the Corporate Group.

2) Online Channel

The Company uses online media to communicate between consumers and the Company, public relations for hotel and residential condominium projects, and create market opportunities to reach more target customers. Online communication channels are convenient and fast, allowing the Company to be able to know the needs of the target customers. The Company has various forms of online media such as the Corporate Group's website, Line, Instagram, Facebook, video clips, activities and campaigns. Moreover, the Company has given opportunities for famous and influential people of Thailand to use the hotel

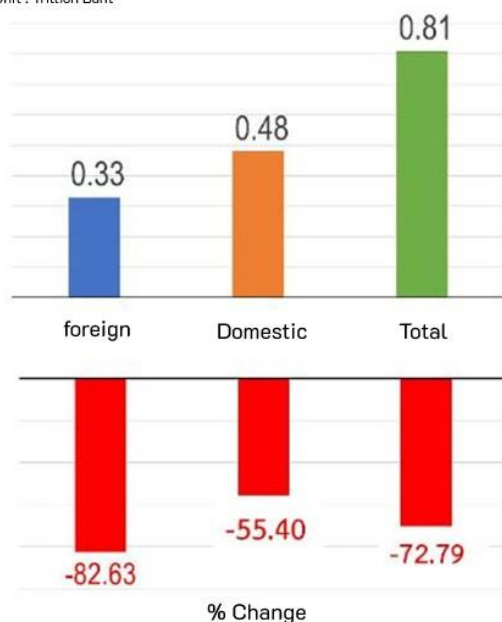
services and visit the condominium projects of the Corporate Group to advertise and promote the image of the hotel and residential condominium projects of the Corporate Group.

In addition, the Corporate Group has marketing plans for each project at different time periods. For hotel projects, the Corporate Group has sales promotions such as promotions at the Thai Teaw Thai Fair, and through the presentations of various promotions in Line. For residential condominium projects, the Corporate group plans to stimulate sales especially during presales, such as offering the condominium bookers free access to the hotel accommodation, participating in the promotions to earn points with the banks that provide credit services, etc.

Tourism Industry in 2020

Total Revenue from Tourism

Unit : Trillion Baht



Tourism Industry in 2020

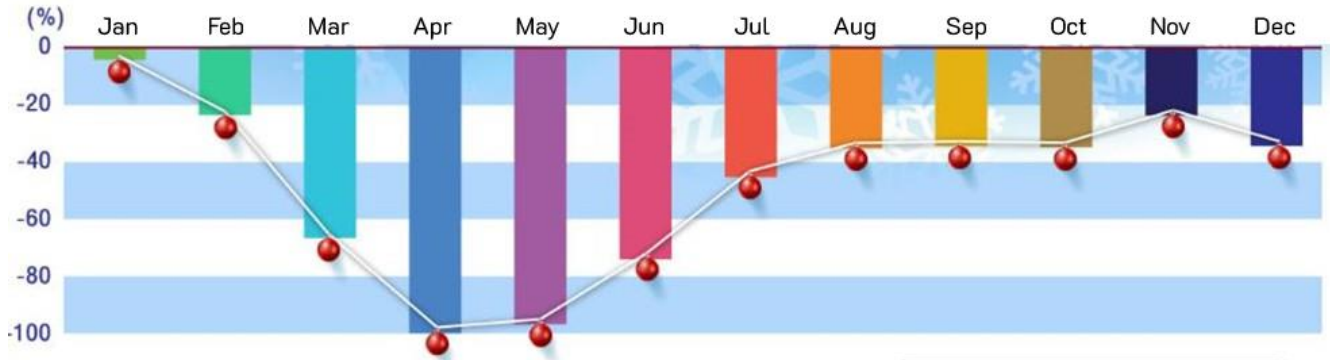
At the beginning of 2020, Thailand had total tourism revenues of 3.06 trillion baht, increased by 3% from 2018 due to continual contraction in the international markets, which also resulted in less growth than the target. The Tourism Authority of Thailand (TAT) decided to set not a very high target for 2020, expecting Thailand to have total tourism revenues of 3.18 trillion baht, increased by 4% from 2019, which divided into 2.02 trillion baht from the foreign market, 3% growth from 40.8 foreign tourists; and 1.16 trillion baht from the domestic market, 5% growth from 172 tourists. During that time, it was believed that even though Thailand would continue to face negative factors, it should be able to overcome the economic crisis and drive the market to grow.

However, as soon as we stepped into the Chinese New Year (25th January 2020), a high season for Chinese tourists to travel to Thailand, Thai tourism industry was facing the Covid-19 epidemic, or during that

time it was called "Wuhan Virus" or "Coronavirus" in China also began to intensify. The journey of Chinese tourists that was pouring into Thailand had been halted. Some of those who had already arrived hurried back for fear that Thailand would close the airspace and they would not be able to return to China.

Thailand became the first country in the world to find a new Coronavirus infection outside the mainland China. Meanwhile, the Thai Ministry of Public Health had closely monitored those people working with foreign tourists who were most at risk of contracting the virus. Unfortunately, the number of people infected with Covid-19 was finally found in Thailand, and increased rapidly during March. At the same time, the "Covid Virus" had spread rapidly to many countries and regions of the world, causing the World Health Organization to declare the Covid-19 outbreak a global pandemic on 11th March 2020. At that time, TAT and other tourism sectors assessed the situation and predicted that Coronavirus outbreak may affect "Chinese tourists" for about three months or extremely unlikely to exceed six months, as did the SARS epidemic several years ago.

As the global situation continued to intensify, the Prime Minister had enacted the Emergency Decree on Public Administration in Emergency Situations, B.E. 2548 (2005) or the Emergency Decree to take effect on 26th March 2020 with a notice prohibiting leaving the homestead during night time from the night of April 3, 2020 and ordered people to delay travel across the province to control the disease. Later on, the Governor of TAT admitted that this Covid-19 crisis was the most intense because it had affected people's travel, movement and coexistence of people. Tourism from both foreign tourists and Thais also disappeared entirely, which caused the hotel occupancy rate falling to 0-5% only.



After the relaxation of Covid-19 control measures in the second half of the year, we could see the recovery of the domestic tourism business. It was once again bustling with the demands of people unable to travel during the Emergency Decree. As a result, hotel occupancy numbers in leading tourist destinations such as Hua Hin and Pattaya had risen to more than 50%.

Overall, the Thai tourism industry in 2020 was driven mainly by the domestic tourism market, and the domestic travel tended to recover accordingly. In Q4/2020, 37.8 million people traveled domestically, increased from 24.3 million in Q3/2020. Factors supporting the better recovery came from domestic tourism stimulus measures from the government sectors, such as the "We Travel Together" project, which continued to support tourism businesses, including additional holidays and special holidays. As a result, domestic tourism had a better recovery. However, since mid-December 2020, the Covid-19 pandemic had begun to return to a high level again. The government therefore started to implement measures to control the outbreak in many areas, causing domestic travel to slow down in late Q4/2020.

To anticipate the hotel business in the future, it would take about two years to return to normal due to the new wave of Covid-19 outbreak both domestic and internationally, causing the recovery of tourism sector to stumble. Additionally, the official tourism policy implementation plan to accept foreign tourists to travel to Thailand has to be delayed until the situation has improves from the incident. The tourism sector of Thailand in 2021 has been affected, especially the foreign tourist market. However, it is expected that the Thai tourism market in the country in 2021 tends to increase from the previous year.

Risk Factors

The company takes into consideration the essence of risk management which arises from both inside and outside the organization. The company's management shall implement risk management policies to the least effects to the company. The company possesses a risk control system with reference to COSO (The Committee of Sponsoring of the Treadway Commission) to direct policies, processes, and procedures of risk management no matter where such risks originate from business operation, finance, or management factors.

RISKS ASSOCIATED WITH BUSINESS OPERATIONS

Risks associated with investment in hotel and residential projects

The company group is facing risks from investing in under developing projects mentioned above as well as new hotel and residential ones which may occur in the future, and from other factorial impacts such as capital volume for project operation, economic status, political disruptions, current political uncertainty, market demand and supply, etc. In regards to the above-mentioned factors, negative business operation, financial status, company cash flow and so on might be affected.

However, the company group is considering an investment procedure for new projects. Before investing in construction of each project, the company group shall study its possibilities starting from acquisition of potential pieces of land in rural cities or popular areas of target group. The company's selling point shall be in beautiful natural surroundings, close to tourist attractions and within positive environment. The company group shall employ an international property development consultant namely CBRE Thailand Company Limited which shall join the company group to do researches on the property development market – land acquisition, competitive studies, including project designing of satisfactory sizes and styles. The company group shall give thought to financial prospects, including sources of capital to contract for land sale of the next projects. Moreover, the company group shall contemplate external factors such as economic status, hotel business industrial conditions, property development business, policies or various measures that might impact development of the new projects in order to reduce risks

Risks associated with land acquisition for prospective hotel and residential projects

The company group has no interest to occupy waste land that is not ready because of unfavorable capital burden or risks of its declining value in the future. Hence, the company group may risk inability of land acquisition for hotel and residential projects as intended. As most of the company's hotel and residential projects are located in touristic cities and close to outstanding Thailand tourist attraction areas, there shall be competition of land purchase among other entrepreneurs, or risks caused by increasing value of the desirable pieces of land. Consequently, the capital for hotel and residential projects increases over the budget planned, and might affect financial status and business operations of the company group in the future.

The company group thinks out future plans to acquire and purchase-in-advance parcels of land corresponding to developing time frame of hotel and residential projects that is in compliance with the company group's development policies in hotel and residential projects. The company group shall monitor and research for land information continually, considering trends and potentiality of land development. The company sets policies towards land acquisition to be suitable, prospective potential, convenient in transport, satisfactory utility system, and straight to the right target groups. Furthermore, the company group shall give thought to nearby parcels of land in comparison between land use and acceptable land price.

Risks associated with delay of project development and constructor's expertise

The company group like most of the entrepreneurs in property development industry shall hire only a few constructors to construct each project, resulting in risks of construction delays from those constructors. Although construction work shall be finished on time, quality of work does not meet construction standards or not relate to planned designs or not complete. The cost of construction may be higher and that affects financial status negatively and significantly as well as operation performance and cash flow in the future.

However, the company group is considering hiring constructors by auctions as stated in policies. The contractors shall have quotations on construction cost, construction expenses, labor cost, construction supplies. The company group shall reflect upon constructors who meet qualification criteria of the company comprising of experience, work, quality and standard of construction, cash potential, etc. so that the company's hotel and residential project construction is standardized, in relation to designs, and within time frame as planned. Moreover, the contract of hotel and residential projects requires contractors to pay fine to the company group who is the owner of the project in case of impotent submission, or work delays and unscheduled submission as agreed.

Risks associated with the fact that the company group operates in business industries that have increasing rate of supply higher than growth rate of demand

Hotel and tourism industry as well as property development industry are high competitive industries, which give options to Thai and foreign tourists to appreciate different designs of rooms, resulting in higher marketing competition among price, quality and various services in that if the company group cannot keep pace with sever changes and competitions, the company' s performance may be affected negatively.

Developing hotel and residential projects, however, the company tends to study project marketing feasibility, project design analysis, financial possibility analysis, appropriate funding, unique design strategies under the concept of modern contemporary to reflect uniqueness and customer's attractions together with competing with other entrepreneurs in this industry.

Risks associated with residential projects during the sale

Considering the sales balance of the residential projects of the company which is comprised of Veranda High residence Chiangmai, Veranda Residence Pattaya, and Veranda Residence Hua Hin, the company group has sold residence lower than the set price. consequently, the company's return on investment may not be as prospected; provision for diminution in value of inventory shall be made which may affect the company's performance negatively.

Prior to developing any projects, nonetheless, the company's group shall hire international property development consulting companies namely CBRE Thailand Limited to supervise the projects, to research property development marketing to eliminate such risks. During construction of the projects, supporting financial institutions shall be welcome to evaluate the company's solvency and sales volume. Furthermore, the company group shall implement marketing and sales promotion policies for residential projects to increase sales volume, including expanding customer base to be wider by adding more channels of marketing towards target customers, mass communications, strait communications, including communications and public relations

of current and trendy new media, for instance communications through company's website, social media as well as sales promotion to boost up sales volume of residential projects such as joint promotion among banks providing credit services, etc.

Risks associated with adjustments of rules, regulations and law which might affect business operations of the company group

Adjustment of rules, regulations and law concerning property development business of hotel and residential is a factor affecting business operations of the company group in terms of capital and expenses to run its projects in pursuant to the modified ones.

However, the company group shall execute measures of study and pursue modification of related rules, regulations, law which may occur consistently. The operating departments concerned such as management and accounting etc. are well prepared for any variations which may occur in the future to ensure that the company group will not be significantly affected by such legal adjustments relating to the company's business operations, and it can shift its business operation in accordance with such changes.

Risks associated with economic fluctuation, political uncertainty and natural disaster

Business operation of the hotel projects and real estate business of the Corporate Group may be affected by the fluctuation of the economic conditions, political instability, and natural disasters. These factors may affect consumer confidence in the economy, causing a decline in consumer spending which may also affect the hotel and real estate businesses directly. Moreover, this may adversely affect the financial status and operating result of the Corporate Group. In 2020, there were significant events that had a direct impact on the hotel business, such as the halt of tourism industry due to the Covid-19 outbreak and foreign tourists could not travel to Thailand.

However, the Corporate Group has spread the hotel and residential condominium projects into various locations to cover major cities or the main tourist destinations in Thailand with various customer groups. And, if affected by external factors such as natural disasters, political unrest or the Covid-19 outbreak that makes the foreign tourists unable to travel to Thailand, the Company still has hotels that were popular among Thai customers to replace the missing foreign customer group. In this regard, the Corporate Group has guidelines to follow-up on such changes which affect the business operations of the Corporate Group. The Company's management has guidelines for planning and adjusting strategies for hotel and residential condominium projects to be consistent and appropriate for various changes for the business of the Corporate Group to be able to operate continuously. The Company also has insurance against natural disasters and riots in case of any damage.

FINANCIAL RISKS

Risks associated with loans, loan interest rate fluctuations, and interest coverage ratio

As of December 31, 2020, the company has total liability of 3,285 million baht from which is interest bearing debt at 2,567 million baht or shall be converted to percentage at 78.16 of total liability. Thus, when debt to equity ratio is compared with interest-bearing debt-to-equity ratio, it equals to 1.59 and 1.24 times respectively.

However, the company monitors risk management by tracing interest rate movement, and there shall be measures to examine financial ratios of the company to appear good consistently.

Risks associated with the fact that the company may not be able to or may choose not to pay dividends.

The company's ability to pay promising dividends depends on results of financial performance of the company group in the future. Such performance relies on the success of business operations as planned, including several factors, for example, marketing and competition, financial, and legal factors. Some of those factors are beyond the control of the company group. In addition, the company's board of directors may give suggestions to minimize or cancel dividend payment for any defined periods of time in compliance with prospective business growth plan of the company, including capital need for investment and revolving funds or any other factors as deem appropriate. Hence, the company group cannot assure investors whether it makes profit in the future or guarantee whether its board of directors or borrowers approves payment of dividends although the company is able to make profits.

Besides, Public Limited Companies Act and the company's regulations require that the company group shall not be able to pay dividends, should it have accumulated deficit although it yields net profits in that year. In addition, should the company earn net profits in any year, retained earnings must be allocated as reserved capital not less than 5 percent of annual net profit when being deducted by the sum of historical accumulated deficit until total reserved capital equals to 10 percent of the company's registered capital. Therefore, if the company cannot earn sufficient profit, or it sees any other appropriate options, then promising dividends are allowed not to be paid. However, the company is obliged to pay dividends to shareholders at the rate not less than 40 percent of net profit from separated financial statements after being deducted by corporate income tax and by all types of reserve money stated in the law and regulations of the company.

Risk Associate with Management

Risks associated with major groups of shareholders holding over 50 percent **of shares** on the day of closing the register of shareholders as of 31 December 2020, Mr. Verawat Ongvasith's group holds the company's shares at 65.41 percent of paid-up capital which means that Mr. Verawat Ongvasith's group can control resolutions of the meeting such as the appointment of the board of directors or any resolutions requiring majority votes of shareholder's meetings. In addition, participants in Mr. Verawat Ongvasith's group are titled as directors and company executives, therefore, Mr. Verawat Ongvasith's group are the major shareholders controlling business operations as well. After this public offering of newly issued ordinary shares, Mr. Verawat Ongvasith's group who is the major shareholder still holds the majority votes of not less than 50 percent of paid-up capital of the company. Consequently, Mr. Verawat Ongvasith's group resumes controlling resolutions of shareholder's meeting by their majority votes.

The company has resolved management framework though, so that business operations shall be transparent, justified, clearly counterbalanced in management operations. The company clearly defines purviews of the audit committee, the nomination and remuneration committee and the executive directors, along with appointing independent outsiders to join the board of directors totaling 4 out of 10 people to examine, balance powers of authorities when decision is made; to give opinions and concur in any listicles before presenting to the shareholder's meeting for their consent later.

Risks associated with loss of personnel in the board of directors

The Board of Directors has expertise in hotel and residential industry for over 15 years since the company was founded. The success of the company's projects in the past reflected the performance of business operation carried out by the prudent management of the boards of directors in land acquisition, feasibility analysis, and architectural designs. Should the personnel of board of directors are gone or inadequate or leaving the jobs, the company may have negative effects on business operations, business opportunities, and business performances.

Succession plans, still, are implemented to prevent such losses including additional recruitment for management staffing is resolved in accordance with business operations and expansion in the future. Staff training, or any other workshops to develop knowledge, competency, and experience are to be held so that business operations shall resume smoothly and efficiently in case any of such losses may incur.

Other Risk

- NONE -

Business Assets

Main assets used in business operation

Property, plant and equipment

As of 31st December 2020, the Company and its subsidiaries have main fixed assets such as land, land improvements and exterior decorations; buildings and building improvements; tools, appliances and equipment; furniture and fixtures; vehicles and assets under construction with the net book value of 3,630.38 million baht or 67.81 percent of the total assets as in the following details:

Property Types/Characteristics	Proprietary	Net Book Value (million baht)	Obligation
1. Land	The Company / HHP / VBP / ISA / OTR	1,194.27	Mortgage as collateral with a financial institution
2. Land improvements and exterior decorations	The Company / HHP / VBP / ISA / OKT / OTR	69.66	Mortgage as collateral with a financial institution
3. Buildings and building improvements	The Company / HHP / VBP / ISA / OTR / VCS / PDS OKT make a long term lease of 32 years	1,023.93 760.52	Mortgage as collateral with a financial institution Mortgage as collateral with a financial institution
4. Tools, appliances, equipment	The Company / HHP / VBP / ISA / OKT/ VCS/ PDS	68.63	None
5. Furniture and fixtures	The Company / HHP / VBP / ISA / OKT / VCS / PDS	461.57	Mortgage as collateral with a financial institution
6. Vehicles	VBP / PDS	2.36	None
7. Assets under construction and installation	The Company / ISA / HHP / VBP	49.44	Mortgage as collateral with a financial institution
Total		<u>3,630.38</u>	

Real Estate Development Costs

As of 31st December 2020, the Company and its subsidiaries had the real estate development costs with the net book value of 1,052.26 million baht or 19.65 percent of the total assets as in the following details:

Project Name	Project Details	Net Book Value (million baht)	Appraisal Price (million baht)				Ownership	Obligation
			Appraisal Price	Appraisal Date	Appraised By	Remark		
1. Veranda High Resident Chiang Mai Project	7 rooms waiting for ownership transfer, in total of 890.32 square meters	38.07	87.70	13 th September 2018	Prospec Appraisal Company Limited	Estimated price including construction cost	The Company	None
2. Veranda Residence Pattaya Project	6 rooms waiting for ownership transfer, in total of 339.08 square meters	25.81	1,159.00	27 th April 2018	Agency for Real Estate Affairs Company Limited	Estimated price including construction cost	VBP	Mortgage as collateral with a financial institution
3. Veranda Residence Hua Hin Project	151 rooms waiting for ownership transfer, in total of 10,145.04 square meters.	891.14	501.80	19 th April 2018	Agency for Real Estate Affairs Company Limited	Estimated price including construction cost	The Company	Mortgage as collateral with a financial institution
4. Veranda Residence Phuket Project	The project is under the design with an area of approximately 3 rai.	97.24	-	-	-	-	The Company	Mortgage as collateral with a financial institution
Total		<u>1,052.26</u>	<u>1,748.50</u>					

Investment Property

As of 31st December 2020, the Company was the owner of a land with the net book value of 12.50 million baht. The land was adjacent to the Rocky Boutique Resort, with a total area of 4 rai, 1 ngan, 23.6 square wah. The appraised price as of 13th February 2018 by the Agency for Real Estate Affairs Company Limited was 30.16 million baht. The Company had mortgaged such land as collateral with a financial institution.

Right-of-use assets/Leasehold

As of 31st December 2020, the Company and its subsidiaries had a right-to-use assets/leasehold of land, buildings, equipment, and vehicles with the net book value of 218.71 million baht or 4.09 percent of the total assets as in the following details:

Branch/Location	Period of Lease Agreement	Net Book Value (million baht)	Obligation
Land lease in Bang Rak District, Bangkok, totalling 2 rai, 1 ngan, and 37 square wah for the location of the SO Bangkok Hotel.	30 years Ended in 2039	137.97	Mortgage as collateral with a financial institution
Land lease in Na Chom Thian Sub-District, Sattahip District, Chonburi Province, totalling 6 rai, 45 square wah for the location of the Skoop, a parking lot and a recreational area.	3 years Ended in 2022	8.05	None
Land lease in Nong Kae Sub-district, Hua Hin District, Prachuap Khiri Khan Province, totalling 2 rai, 3 ngan, and 11.20 square wah for a parking lot of the Skoop and Verso Hotel Hua Hin.	2 years Ended in 2022	1.55	None
Space lease of 73.92 square meters at Siam Paragon Shopping Centre for the location of the Gram Pancakes.	3 years Ended in 2021	2.61	None
Land lease with a building at 47/1, Setthasiri Road, Samsen Nai Sub-district, Phayathai District, Bangkok for the location of the Gram Pancakes.	3 years Ended in 2022	1.57	None
Space lease of 148 square meters at J Avenue Thonglor for the location of the KOF and the Gram Pancakes.	2-3 years. Ended in 2021 and 2022	6.84	None
Space lease of 18.75 square meters at the Little Walk Bangna for the location of the Gram Pancakes.	3 years Ended in 2023	0.93	None
Space lease of 147.73 square meters at The Circle Ratchapruk for the location of the Gram Pancakes.	3 years Ended in 2023	3.32	None
Space lease of 1,389 square meters on the 27th Floor at the Rasa Tower 2 for the location of the office.	3 years Ended in 2022	39.34	None
Space lease of 381 square meters at Building No. 178/7, Ratchada Road, Chatuchak District, Bangkok for the location of the office.	3 years Ended in 2022	13.41	None
Equipment leasing for the operations of the Gram Pancakes and Pablo Cheese Tart.	2 years Ended in 2021	0.11	None
Vehicle leasing to use in the operations.	4 years. Ended in 2021, 2023, and 2024	3.01	None
Total		218.71	

intangible assets

As of 31st December 2020 The Company and its subsidiaries had intangible assets with the net book value of 95.26 million baht or 1.78 percent of the total assets as in the following details:

Trademark / Copy right	Owner	Net Book Value (million baht)	Remark
1. Software	The Company / VBP / OKT / VCS / ISA / PDS	11.75	-
2. Trademarks	The Company / OKT / ISA	6.74	As the table below
3. Franchise	The Company / VCS / PDS	76.69	-
4. Other intangible assets	The Company	0.08	-
Total		95.26	

Trademarks

As of 31st December 2020 The Company and its subsidiaries have owned the trademark 11 items as follows;

Trademarks	Registration No.	owner	Services	Timing
	181122497	The Company	Real estate development, Condominium for sale and rent Condominium management Construction of condominiums, hotels, health care facilities	8 Jun. 2020 – 7 Jun. 2030
	181122499	The Company	Hotel	21 Jun. 2020– 20 Jun. 2030
	191113125	The Company	Hotel	21 Jun. 2020– 20 Jun. 2030
	181122498	The Company	Food & Beverage	21 Jun. 2020– 20 Jun. 2030
	181124723	The Company	Food & Beverage	28 Jun. 2020– 27 Jun. 2030
	191101773	The Company	Food & Beverage	15 Sep. 2020 – 14 Sep. 2030-
	191106673	The Company	Food & Beverage	15 Dec.2020 - 14 Dec.2030
	BorTor 5444	OKT	Food & Beverage	14 Dec.2011- 13 Dec. 2021
	BorTor 5445	OKT	Food & Beverage	14 Dec. 2011– 13 Dec. 2021
	201124346	ISA	Hotel	27 Mar. 2020 – 26 Mar. 2030
	171127172	VCS	Food & Beverage	12 Feb. 2016 - 11 Feb. 2026

Investment policy in the Company subsidiaries

The company has a policy to invest in companies that are in line with the goals, corporate vision and strategy for growth which will make the company have favorable outcome or increase profits or invest in synergy for the company to increase the company's competitiveness and to enable the company to achieve its goal of becoming a leading operator in its core business. The Company and subsidiaries have considered investing in other businesses if the business has the potential to grow or it can expand the business or it is beneficial to the business of the company groups which can create a good return on investment by considering the investment of the company and that subsidiary. The company has analyzed the feasibility of the investment and considered the potential and risk factors from the investment. With appropriate investment analysis procedures which must be approved and / or approval from the board of directors' meeting or the shareholders' meeting of the company (depending on the case) In this regard, the investment approval for the subsidiary company is in accordance with the notification of the Capital Market Supervisory Board and notifications of the Stock Exchange of Thailand.

Supervision policy for subsidiaries

The company has set policies for the supervision and management of subsidiaries with the objective to define both direct and indirect measures and mechanisms to enable the company to supervise and manage the business of the subsidiary, including monitoring the subsidiaries to comply with various measures and mechanisms defined as a department of the company itself according to company policy, public company law, civil and commercial code, securities law and relevant laws, as well as announcements, regulations and criteria relevant to The Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand in order to protect the interests of the company's investments In the said subsidiary company with details as follow:

- 1) The company will send a representative of the company becoming a director in each subsidiary according to the proportion of shareholding in each company so as to supervise the subsidiary company to proceed in accordance with the law, good corporate governance policy, including other policies of the company. However, sending a representative of the company to be a director in each subsidiary company must be considered and approved by the board of directors' meeting by considering the suitability of each company.
- 2) If entering the transaction or any operation of a subsidiary that is within the scope of or being an acquisition or disposal of assets under the Notification of Acquisition or Disposal of Assets or connected transactions in accordance with the announcement of related connected transactions which will result in the company to have the duty to ask for approval at the meeting of the board of directors of the company and / or from the shareholders' meeting of the company or requesting approval from relevant agencies as required by law before entering the transaction. The subsidiary company will be able to enter the transaction or do so only after the approval from the board of directors of the company is approved and / or the shareholders' meeting of the company and / or related departments (Depending on the case) is completed.

In addition, if entering a transaction or occurrence of certain events of a subsidiary which makes the company have a task to disclose information to the Stock Exchange of Thailand in accordance with the regulations stipulated by the Stock Exchange

of Thailand, the representative directors of the said subsidiary is to notify the management of the company as soon as the subsidiary plans to enter the transaction or such occurrence is found.

- 3) The board of directors and executives of each subsidiary company will have significant scope of duties and responsibilities in accordance with relevant laws, such as disclosing information about financial status and operating results to the company by bringing the relevant announcements of the board member of the Capital Market Supervisory Board and the announcement of the Stock Exchange of Thailand to be enforced with compliance, including disclosing and submitting information of one's own interests and those of related parties to the Board of Directors of concerning the relationship, transactions with companies and subsidiaries in ways that may cause conflicts of interest and avoid running transactions that may cause conflicts of interest.
- 4) The company will determine the plans and take the necessary actions to ensure that the subsidiary discloses information regarding the operations and financial status, and that the company will take necessary actions and monitor the subsidiary to have disclosure systems and to have sufficient and appropriate internal control systems for business operations.

In addition, the company will closely monitor the operating results and operations of the said subsidiary and present the analysis results, including comments or suggestions to the Board of Directors and the board of that subsidiary company in order to be used in determining the policy or improving and promoting the business of the subsidiary company to continuously develop and grow.

Legal Dispute

As of 31st December 2020, the Company as its subsidiaries had legal disputes as follows:

Administrative Case, Undecided Case No. 26/2562, Decided Case No. 94/2563

The Company had purchased several plots of land located in Khao Takiab, Hua Hin District, Prachuap Khiri Khan Province. After the Company received the transfer of property ownership of the said plots of land, the Company acknowledged that the lands had been legal disputes in court, claiming that the issuance of the title deeds was illegal. However, on 1st December 2016, the Supreme Court dismissed the case, seeing that the issuance of the title deeds and the survey for land boundary verification of Prachuap Khiri Khan Provincial Land Office, Hua Hin Branch, were correct. Therefore, the judgement was final and the title deeds were properly issued.

Later in 2019, the group of plaintiffs had filed a lawsuit against Director General of Department of Lands and et. al. defendants with the Phetchaburi Administrative Court. The Phetchaburi Administrative Court had ordered the Company to become the interpleader of a case. The plaintiffs claimed the Director General of the Department of Lands and et. al. defendants had issued title deeds, invading or overlapping the road or public way along the beach of Hua Hin Sea and the public way at the foothill of Khao Takiab. Subsequently, the Phetchaburi Administrative Court gave judgement on 15th July 2020 to revoke only the invasive part or the part that overlapped the road boundary which may affect a total area of approximately 53 squares wah with a book value of 4.9 million baht (buildings excluded). However, the Company had already made a full provision for damages arising from such litigation in the 2020 financial statements (it is a set up in accordance with the Conservatism Principles of Accounting).

However, the Company and other defendants did not agree with the judgement in the said case, therefore appealed to the Supreme Administrative Court. The Company filed an appeal and an amendment to the appeal on 13th August 2020 and 27th November 2020, respectively. At present, this case is still pending in the court.

General and other important information

Name of Company	:	Veranda Resort Public Company Limited
Stock Symbol	:	VRANDA
Type of Business	:	Hotel, Real estate and Restaurant
Head Office	:	555 Rasa Tower Unit 2701-2704 Floor.27 th , Paholyothin Road, Chatuchak, Bangkok, 10900 Thailand
Company Registration No	:	0107561000382
Tel.	:	(66) 2513 3300
Fax.	:	(66) 2513 5110
Website	:	www.verandaresort.com
Company Secretary	:	Mr.Varut Tantipipop
Registered Capital	:	1,750.00 Million Baht
Paid-up capital	:	1,598.41 Million Baht

Subsidiaries' Information

Name of Company	:	(1) Veranda Beach Pattaya Co.,Ltd (VBP)
Type of Business	:	Hotel and Real estate
Head Office	:	555 Rasa Tower Unit 2701-2704 Floor.27 th , Paholyothin Road, Chatuchak, Bangkok, 10900 Thailand
Company Registration No	:	0105549089601
Tel.	:	(66) 2513 3300
Fax.	:	(66) 2513 5110
Website	:	www.verandaresort.com
Registered Capital	:	300 Million Baht
Paid-up capital	:	300 Million Baht
Name of Company	:	(2) Hua Hin Pool Suite (HHP)
Type of Business	:	Hotel
Head Office	:	555 Rasa Tower Unit 2701-2704 Floor. 27, Paholyothin Road, Chatuchak, Bangkok, 10900 Thailand
Company Registration No	:	0105546028296
Tel.	:	(66) 2513 3300
Fax.	:	(66) 2513 5110

Website : www.verandaresort.com
 Registered Capital : 50 Million Baht
 Paid-up capital : 50 Million Baht

Name of Company : **(3) Oaktree Co.,Ltd (OKT)**
 Type of Business : Hotel
 Head Office : No. 2 North Sathorn, Silom, Bangrak, Bangkok, 10500
 Company Registration No : 0105548045937
 Tel. : (66) 2513 3300
 Fax. : (66) 2513 5110
 Website : www.so-sofitel-bangkok.com
 Registered Capital : 850 Million Baht
 Paid-up capital : 850 Million Baht

Name of Company : **(4) Oaktree Realty Co.,Ltd (OTR)**
 Type of Business : Commercial buildings for rent
 Head Office : 555 Rasa Tower Unit 2701-2704 Floor. 27, Paholyothin Road,
 Chatuchak, Bangkok, 10900 Thailand
 Company Registration No : 0105554122531
 Tel. : (66) 2513 3300
 Fax. : (66) 2513 5110
 Registered Capital : 5 Million Baht
 Paid-up capital : 5 Million Baht

Name of Company : **(5) The ISA Resort Co.,Ltd (ISA)**
 Type of Business : Hotel
 Head Office : 438/1 Moo. 1, Maret, Koh Samui
 Suratthani, 84310
 Company Registration No : 0845546002797
 Tel. : (66) 7733 2888 - 95
 Fax. : (66) 7741 8367
 Website : www.rockyresort.com
 Registered Capital : 100 Million Baht
 Paid-up capital : 100 Million Baht

Name of Company	: (6) Veranda Cuisine Co.,Ltd (VCS)
Type of Business	: Veranda Cuisine Company Limited
Head Office	: Foods and Beverages
Company Registration No	: 555 Rasa Tower Unit 2701-2704 Floor. 27, Paholyothin Road, Chatuchak, Bangkok, 10900 Thailand
Tel.	: 0105558148003
Fax.	: (66) 2513 3300
Website	: (66) 2513 5110
Registered Capital	: 20 Million Baht
Paid-up capital	: 20 Million Baht
Name of Company	: (7) PDS Holding Co.,Ltd (PDS)
Type of Business	: PDS Holding Company Limited
Head Office	: Foods and Beverages
Company Registration No	: 120/109, Ratchapralop Road, Phyathai, Rachtewi, Bangkok
Tel.	: 0105554026329
Fax.	: (66) 2656 3653
Website	: (66) 2656 3653
Registered Capital	: 120 Million Baht
Paid-up capital	: 120 Million Baht

Reference

Securities registrar	: Thailand Securities Depository Co., Ltd (TSD) : The Stock Exchange of Thailand Building 93, Rachadapisek Road, Din Daeng Bangkok 10400
Tel.	: 0 2009 9000
Fax.	: 0 2009 9991
Auditors	: EY Office Limited (EY) : 193/136-137, Lake Rajada Office Complex, 33 rd Floor , New Rajadapisek Road, Klongtoey, Bangkok 10110
Tel.	: 0 2264 0777
Fax.	: 0 2264 0789-90

Other Information

- None -

Dividend Policy

The Company has a policy to pay the shareholders their dividends at the rate of no less than 40% of the company's net profit of separate financial statements after corporate income taxes and after all specified legal deductions and specified company deductions set each year. In this regard, the Board of Directors will consider the payment of dividends by considering various factors mainly for the benefit of the shareholders. This includes considering economic conditions, operations, financial status of the Company, cash flow, reserved funds for future investment, reserved money for loan repayment, or for working capital within the Company. Conditions and limitations as specified in the loan agreement and the payment of dividends must have no significant effect on the Company's operations as the Board of Directors deems appropriate.

However, during year 2019-2020, the dividend payment of the Company is performed as following:

Dividend Payment	Separate Financial Statements	
	2019 ¹	2020 ²
Net Profit (Baht per Share)	0.25	0.53
Dividend (Baht per Share)	0.225	0.10
Dividend payment rate per net profit (%)	83.18	18.86

Remarks: Note: 1. Earnings per share for 2019 is calculated from the weighted average number of shares of 295,435,096 shares issued during the year.
2. The Board of Directors Meeting No. 1/2021 resolved to propose the Shareholders' Annual General Meeting for the year of 2021 to approve cash dividend payment to the shareholders from 2020 net profit and retained earnings in the rate of 0.10 baht per share. However, such dividend payment must be approved by the Shareholders' Annual General Meeting on 21st April 2021.

Major Shareholders

The list of major shareholders as of 31 December 2020 is as follows:

Major Shareholders	Number of Shares	%
1. Mr.Verawat Ongvasith	83,762,542	26.20
1.1 Mrs.Kanittha Ongvasith	1,046,288	0.32
Mr.Verawat's Family	84,808,830	26.52
2. Hangjew Holding PTE.LTD.	74,890,014	23.43
3. Mrs.Penthipa Ongvasith	11,120,960	3.48
4. Mrs.Tosaporn Angsuwarangsi	10,365,716	3.24
5. Mrs.Paradee Poolvaraluck	9,464,960	2.96
6. Mrs.Napasorn Soonthornmanokul	8,094,036	2.52
7. Mr.Kittisak Sopchokechai	7,869,626	2.46
8. Sureetriboon Holding Co.,Ltd.	6,785,504	2.12
9. Mr.Sakorn Suksriwong	5,726,928	1.79
10. Mrs.Mittira Suksriwong	5,596,928	1.75
Total of Major Shareholders	224,723,502	70.30
Other Shareholders	94,958,170	29.70
Total	319,681,672	100.00

Report on Securities Holding of Directors, Executives, Director's spouse or minor child of directors and Executives

The Board of Directors has determined that directors and executives have a duty to report holdings of its own securities and related since the election as the directors and executives of the company. Each time there is a change in the holding of such securities. Must Reports to the company and the Securities and Exchange Commission of Thailand (SEC) Within 3 business days for report. In the Board of Directors Meeting No.1/2018 has approved the Company's Secretary to make report on Securities Holding of Directors, Executives, Director's spouse or minor child of directors and Executives to acknowledge before the Board of Directors Meeting on a quarterly basis as at 31 December 2020 are as follows;

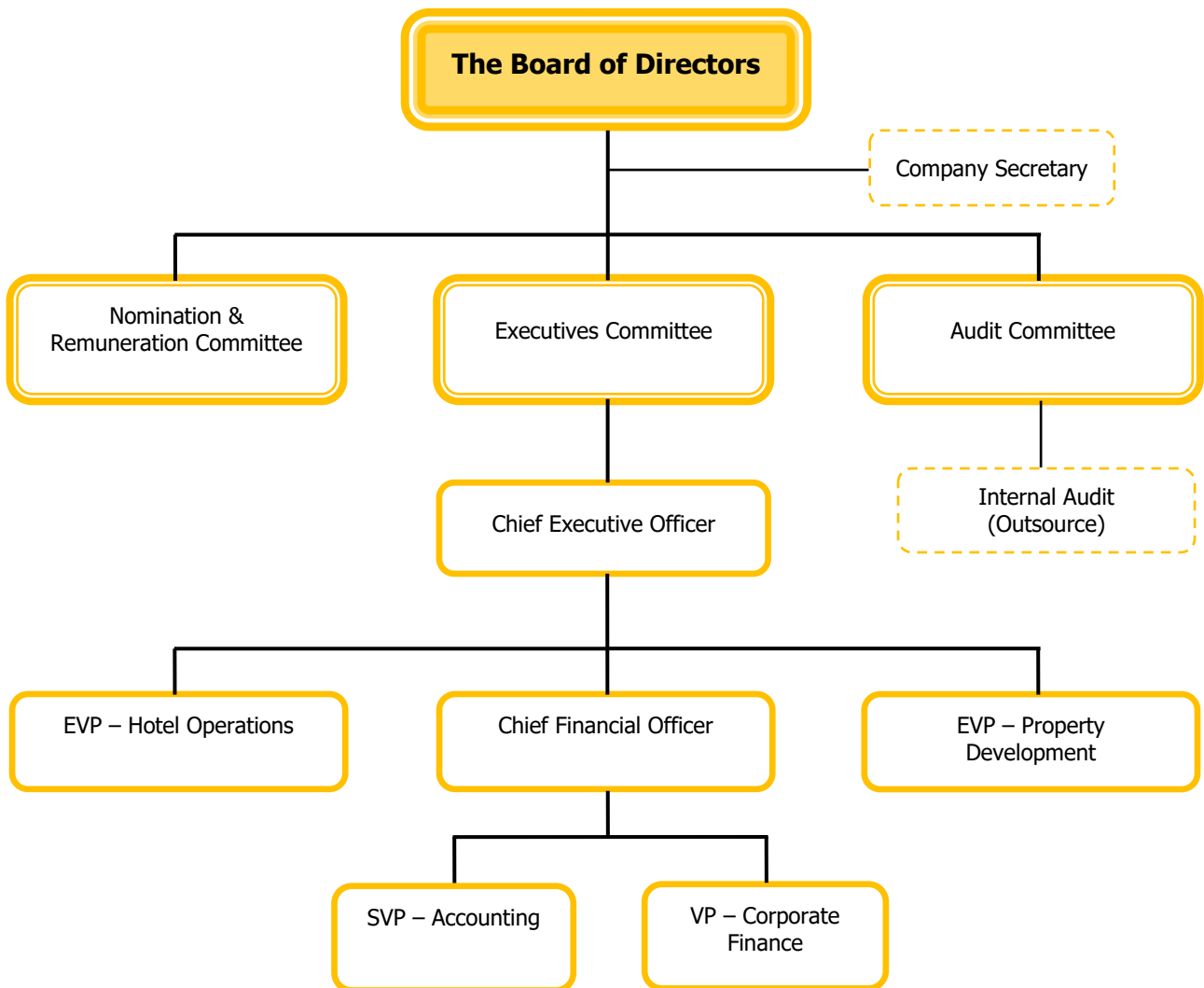
No.	Names	Positions	Number of Shares		% of the shares
			31-Dec-19	31-Dec-20	
1	Mr.Chai Jroonthanapibarn spouse or minor child	Chairman of Boards / Independent Director	150,000 -	150,000 -	0.05% -
2	Mr.Paiboon Kujareewanich spouse or minor child	Chairman of Audit / Independent Director	- -	- -	- -
3	Mr.Trairak Tengtrairat spouse or minor child	Member of Audit / Independent Director	100,000 -	- -	0.00% -
4	Assoc.Prof.Siriporn Maneeapan spouse or minor child	Member of Audit / Independent Director	- -	- 100,000	- 0.00%
5	Mr.Verawat Ongvasith spouse or minor child	Director / Chief Executive Officer	82,907,542 1,946,288	83,762,542 1,046,288	26.20% 0.33%
6	Mrs.Tosaporn Angsuwarangsi spouse or minor child	Director	10,315,716 -	10,365,716 -	3.24% -
7	Mrs.Napasorn Soonthornmanokul spouse or minor child	Director	8,094,036 -	8,094,036 -	2.53% -
8	Mr.Surasak Wongkiatthavorn spouse or minor child	Director	409,964 319,964	319,964 319,964	0.10% 0.10%
9	Mr.Siriwat Vongjarukorn spouse or minor child	Director	3,168,524 -	3,273,524 -	1.02% -
10	Mr.Kittisak Sopchokechai spouse or minor child	Director	7,869,626 -	7,869,626 -	2.46% -

Executives Shares

No.	Names	Positions	Shares		% of the shares
			31-Dec-19	31-Dec-20	
1	Mr.Verawat Ongvasith spouse or minor child	Director / Chief Executive Officer	82,907,542 1,946,288	83,762,542 1,046,288	26.20 0.33
2	Mrs.Tosaporn Angsuwarangsi spouse or minor child	Chief Financial Officer	10,315,716 -	10,365,716 -	3.24 -
3	Mr.Surasak Wongkiatthavorn spouse or minor child	Executive Vice President of Hotel Operations	409,964 319,964	319,964 319,964	0.10 0.10
4	Ms.Ladda Somsirpornchai spouse or minor child	Senior Vice President Accounting	50,000 -	50,000 -	0.015 -
5	Mr.Varut Tantipipop spouse or minor child	Vice President Corporate Finance / IR / Company Secretary	4,107,020 -	4,257,020 -	1.33 -

Management Structure

Company's Structure at 31st December 2020



Remark: The internal Audit Unit works directly to the Audit Committee. The Committee assigned Mrs.Tosaporn Angsuwarangsri representing to the internal auditor by liaise with the firm performing which the Company hires to perform on internal Audit Unit reports its auditing work and give advice to the Audit Committee Directly to improve upon the recommendation of the independent evaluation of the internal control system.

As of 31 December 2020, the management structure of the Company consists of the Board of Directors and the Executives. The Board of Directors consists of Independent Directors, executive and non-executive Directors. 1/3 of the members are Independent Directors.

The Board of Directors determine to have 3 sets of committees with the Audit Committee, Nomination & Remuneration Committee and Executives Committee. And determine that the Chairman of the Board of Directors, Audit Committee and Nomination & Remuneration Committee are Independent Committee.

Structure of Directors and composition of the Board of Director

The Board of Directors provides the appropriate size businesses. The current Board has 10 directors consisting of 4 executives' directors and 6 non-executives' directors (Four are Independent Directors). The Independent Directors are as follows;

1.	Mr.Chai	Jroongthanapibarn	Chairman of the Board of Directors
2.	Mr.Paiboon	Kujareevanich	Independent Director
3.	Assoc.Prof Siriporn	Maneepan	Independent Director
4.	Mr.Trairak	Tengtrairat	Independent Director

Independent Directors

The present Board of Directors consists of 4 Independent Directors, which is a half of all Directors. The Company realizes the importance of good corporate governance which defined the Chairman of the Board must not be the same person as the President in view of clear-cut responsibilities and duties. The Board of Directors gives consent of the definition and qualifications of Independent Directors, the regulations of which are more stringent than those of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), as follows:

1. Hold no more than 1% of the overall shares in the Company, subsidiaries, associated companies, or person(s) with potential conflicting interests.
2. Take no part in the Director administration, including not being an employee, personnel, permanent advisor, professional advisor to the Company such as an auditor, lawyer or authorized person of the Company or subsidiaries, or Associated companies, or person(s) with potential conflicting interests and with no invested interest for no less than two years and can attend the Directors' meetings with independent opinions.
3. Have no business connection, no vested interest, whether directly or indirectly, financially or administratively, including not being a client, partner, supplier, trade or creditor/debtor of the Company, subsidiaries, associated companies, or person(s) with potential conflicts of interest and thus lacking independence.
4. Have no or never had business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to SEC.
5. Is not or has never been the auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of applicant, and is not the significant shareholder, controlling parties, or partner of the auditing firm which

employs such auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
7. Is not the director who is nominated to be the representative of directors of the applicant, major shareholders, or any other shareholder related to the major shareholders.
8. Do not operate the same and competitive business with the business of the applicant, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the applicant, or its subsidiaries.
9. Is not any otherwise which is unable to have the independent opinion regarding the business operation of the applicant.

Board of Directors

According to the Company's regulations, the Board of Directors consists of at least five and at least half of the directors must reside in the Kingdom without sex discrimination. The Directors must carry out their duties under the laws, objectives and regulations of the Company, as well as the resolutions of shareholders' meetings, safeguarding the Company's benefit and assign Company Executives to work on their behalf.

The Board of Directors on 31 December 2020 is as follows;

1.	Mr.Chai	Jroongthanapibarn	Chairman of the Boards and Independent Director
2.	Mr.Verawat	Ongvasith	Director and Vice Chairmam of the Boards
3.	Mr.Paiboon	Kujareevanich	Independent Director
4.	Assoc.Prof. Siriporn	Maneepan	Independent Director
5.	Mr.Trairak	Tengtrairat	Independent Director
6.	Mrs.Tosaporn	Angsuwarangsi	Director
7.	Mrs.Napasorn	Soonthornmanokul	Director
8.	Mr.Surasak	Wongkiattavorn	Director
9.	Mr.Kittisak	Sopchokchai	Director
10.	Mr.Siriwat	Vongjarukorn	Director

Certification documents of the Company stipulate that the binding signatures and seal must include 2 out of 5 authorized directors, consisting of Mr. Verawat Ongvasith, Mrs. Tosaporn Angsuwarangsi, Mrs.Napasorn Soonthornmanokul, Mr. Surasak Wongkiattavorn, Mr. Kittisak Sopchokchai. Both directors must sign and affix the Company's seal.

The Board of Directors' Roles and Responsibilities

1. Arrange the annual general meeting of shareholders within 4 months from the end of the company's accounting period.
2. Arrange for a committee meeting at least every three months.
3. Perform duties in accordance with the laws, objectives, regulations of the company, board resolutions and shareholders meeting resolutions with responsibility, caution and honesty.
4. Supervise the administration and performance of the Executive Committee, Chairman of the Board, Chairman of the Executive Committee, management, or any person assigned to perform the said duties In order to be in accordance with the vision, mission, business strategies, business directions, business policies, goals, guidelines, operational plans and the budget set by the board of directors.
5. Supervise and taking care of the management and various operations of the company and subsidiaries in accordance with the policies of the company, securities law as well as announcements, regulations, and rules relevant of the Capital Market Supervisory Board, Securities and Exchange Commission, and the Stock Exchange of Thailand, for instance, related transactions operation, the acquisition or distribution of important assets to the extent that it is not contrary to or inconsistent with other laws, including establishing an adequate and appropriate internal control and internal audit system.
6. Assess the performance of the entire board including evaluating the performance of individual board to review the workings Problems and obstacles each year and to be able to improve working operations in various fields.
7. Determine the details and approve the vision, mission, business strategies, business directions, business policies, goals, guidelines, operational plans and the company's budget and its subsidiaries' according to the operation of executive committee and the management.
8. Arrange for a balance sheet and the income statement at the end of the company's fiscal year and those of subsidiaries and signing to certify the said financial statements to be presented to the shareholders' meeting at the annual general meeting for approval; the annual financial statements which have been audited by the auditor is to send to the Stock Exchange of Thailand within the period specified by law; to prepare and submit quarterly financial statements which have been reviewed by the auditor to the Stock Exchange of Thailand within the period specified by law.
9. Consider and approve the selection and appointment of the auditor and consider the appropriate remuneration as proposed by the audit committee before presenting to the shareholders' meeting at the annual general meeting for approval.
10. Appoint sub-committee including the audit committee, board of directors or any other sub-committee and determine the authorities and duties of the said sub-committee to assist and support the board's duties as work as considering the remuneration for the sub-committee (Not more than the total amount approved by the shareholders).
11. Appoint a person to be a committee or executives of subsidiary company for the least proportion of number of shares held in the subsidiary company; define a framework of duties and responsibilities of the directors and executives who are clearly appointed. This includes determining the framework for the exercise of clear discretion in voting in the board of directors' meeting of the subsidiary company on important matters that must be approved by the board of directors first in order to have management control in accordance with company policy and to legally do various items which includes the disclosure of financial status, information, performance and related party transactions together with the complete and correct of the acquisition or distribution of significant assets.

12. Consider and approve the expenditure for investment, various operations, borrowing or requesting any credit from financial institutions as well as becoming a guarantor for normal business operations of the company, subsidiaries, including affiliated companies without limit regulated by company regulations Including relevant rules and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board.
13. Consider and approve the connected transaction between companies and subsidiary companies stated in the Securities and Exchange Act B.E. 2535 (including additional amendments) including announcements, regulations and / or relevant regulations complying with the Stock Exchange of Thailand and the Capital Market Supervisory Board. Consider and approve the connected transactions between companies; subsidiary companies and directors, executives, or related parties in order to establish a framework for the management group to empower to conduct such transactions within the framework and scope of relevant laws and regulations
14. Consider and approve the payment of interim dividends.
15. Consider the determining and amending the director' name who has the authorization to sign to bind the company.
16. Supervise the operations of the company to be effective and protecting any interests related to all stakeholders.
17. The Board of Directors can authorize and/or assign other persons to perform specific tasks on their behalf. It is done by authorization or authorization during the said period within the scope of authorization under the power of attorney provided and / or in accordance with the rules, regulations, or orders that the Board of Directors and / or the company specified.
18. Provide appropriate channels of communication within each group of shareholders, and to supervise the disclosure of information to ensure accuracy, clarity, transparency, reliability and for the highest standards.
19. Review the board charter at least once a year.

The appointment and retirement of the Board of Directors

1. At each annual general meeting of shareholders, 1/3 of the directors, or if the number is not a multiple of 3, then the number nearest to 1/3, must retire from office. The directors who have been the longest in office shall retire first. The retiring directors may be re-elected.
2. Prior to annual general meeting of shareholder, the company will give an opportunity to any stakeholders to submit candidates, then the Nomination and Remuneration Committee will select and nominate qualified persons to be directors to the Board of Directors before seeking approval from the shareholders' meeting.
3. The shareholders' meeting shall appoint the Directors upon the rules and procedures below
 - 3.1 Each shareholder shall have one vote per share.
 - 3.2 Each shareholder may cast all his/her vote(s) according to electing one or several candidates as directors, and can allot the votes to any person at any number.
 - 3.3 The candidates receiving the highest number of votes in the respective order of the votes shall be elected as directors at such time. In the event that a number of candidates receiving an equal number of votes for the last directorship exceed the number of directors required, Chairman of the meeting shall have a casting vote.
4. Apart from retirement by rotation, the Directors shall vacate the office upon:
 - Death;
 - Resignation;

- Lack of qualification or possession of prohibited characteristics as written in section 68 Public Limited Companies Act B.E. 2535;
 - Removal by resolutions of the Shareholders' meeting as written in section 76 Public Limited Companies Act B.E. 2535;
 - Dismissal by a court order.
5. In the case of any vacancy on the Board of Directors not by purpose of retirement by rotation, the Nomination and Remuneration Committee shall elect a person who is qualified and does not possess any prohibited characterize as provided by the Public Limited Companies Act and the Securities and Exchange Act, to become member of the subsequent Board of Directors' meeting. Unless the remaining term of the directorship is less than 2 months, the replacement shall retain his/her office as same as the period for which the former director was entitled to retain. The resolution of the Board of Directors in respect of the first paragraph shall consist of not less than three-fourth votes of the remaining directors.

The Term of Office of Directors

Since year 2019, the Board of Directors has stipulated that members should not have a term of office exceed 3 consecutive terms. Unless any director who is qualified to hold the position longer, the Board shall consider the independence and efficiency of the duties of the Director and report a reason to shareholders.

Scope of duties and responsibilities of the Chairman of the Board of Directors

1. To be responsible as the leader of the Board of Directors to oversee the operations of the Company to achieve the objectives pursuant to the specified plan;
2. To act as the Chairman of the Board of Directors Meeting and the Shareholders' Meeting and ensure that the said meetings run in good order in accordance with the Public Limited Company Act and the Securities and Exchange Act;
3. To have a casting vote in case the Board of Directors Meeting and Shareholders' Meeting has a tie vote.

Board of Directors' Meeting

The Board of Directors announced the Board Meeting's schedule in advance for 1 entire year to the directors and the relevant parties requiring that arranged every quarter, with a special session meeting involved with company's benefit allowed to be convened as deemed necessary. In the year 2019, there are schedules of Directors' Meeting for the year 2020 in advance, excluding the special meeting agenda. As the follow;

No.	Board of Directors Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting
1	25 February 2020	25 February 2020	25 February 2020
2	13 May 2020	13 May 2020	
3	13 August 2020	13 August 2020	
4	13 November 2020	13 November 2020	

In each meeting, The Company Secretary shall submit an invitation letter complete with the meeting agenda and accompanied by related documents to all board members at least 7 days ahead of the meeting date to allow the board members sufficient time to consider the issues whereas all board members are entitled to propose agenda items independently through the company secretary or shareholders.

The Chairman of the Board of Directors will be person who stipulate and consider agenda topic that allows each director to express his/her opinions freely and efficiently. In case of a Director having a stake in a matter being considered, the Director shall inform the meeting of such stake and shall not participate in discussing the matter and not exercise the voting right on the matter. In the event that the votes are equal, Chairman of the meeting shall have an additional casting vote for.

In addition, the minute report will be written completely after the meeting, information approved and stored so that it could be examined by authorized person. At least 2/3 of the total number of directors shall be presented to form a quorum at the same time of the Board passing a resolution. The Board of Directors should attend the board meeting consistently, with an average participation of at least 75% of total number of board meetings held in each year.

In 2020, the Board of Director held 4 meetings, classified into 4 regular term meeting to review business operations.

	Name		Position	Attendance (Times)				Name
				Normal Term	Extra Term	Total	Meeting of Shareholders	
1	Mr.Chai	Jroongthanapibarn	Chairman / Independent Director	4/4	4/4	8	1/1	
2*	Mr.Paiboon	Kujareevanich	Independent Director	1/1	-	1	-	*Replacement 12
3	Mr.Trairak	Tengtrairat	Independent Director	3/4	2/4	5	1/1	
4*	Assoc.Prof. Siriporn	Maneeapan	Independent Director	2/2	3/3	5	1/1	*Replacement 11
5	Mr.Verawat	Ongvasith	Director / Chief Executive Officer	4/4	4/4	8	1/1	
6	Mrs.Tosaporn	Angsuwarangsi	Director	4/4	4/4	8	1/1	
7	Mrs.Napasorn	Soonthornmanokul	Director	4/4	3/4	7	1/1	
8	Mr.Surasak	Wongkiatthavorn	Director	4/4	4/4	8	1/1	
9	Mr.Kittisak	Sopchokchai	Director	4/4	4/4	8	1/1	
10	Mr.Siriwat	Vongjarukorn	Director	4/4	3/4	7	1/1	
11*	Mr.Nirut	Maneeapan	Independent Director	1/2	1/1	2	-	*Resigned
12*	Mr.Attapon	Chodchoy	Independent Director	3/4	2/4	5	1/1	*Deceased

Remark: *Mr.Nirut Maneeapan resigned at 12 May 2020, The Board of Directors Meeting No.3/2020 approved to appoint Assoc.Prof.Siriporn Maneeapan to be the Independent Director in replacement.

*Mr.Attapon Chodchoy passed away at 22 September 2020, The Board of Directors Meeting No.7/2020 approved to appoint Mr.Paiboon Kujareevanich to be the Independent Director in replacement.

The Audit Committee

The present Audit Committee consists of 3 Directors and they are specialist in accounting and finance or audit. Their meetings are to be convened at least once per quarter.

In the year 2020, Audit Committee held 5 meeting. Details are as follow:

Name - Surname	Position	The Meeting of the Audit Committee (Times)	Remark
Mr.Paiboon Kujareevanich*	Chairman of Audit Committee	1/1	
Mr.Attapon Chodchoy*	Chairman of Audit Committee	4/4	Deceased
Assoc.Prof.Siriporn Maneeapan**	Member of Audit Committee	2/2	
Mr.Nirut Maneeapan**	Member of Audit Committee	2/3	Resigned
Mr.Trairak Tengtrairat	Member of Audit Committee	3/5	

Ms.Ladda Somsiripornchai is a secretary of the Audit Committee

หมายเหตุ : * Mr. Paiboon Kujareevanich was appointed on October 16, 2020 to replace Mr. Attapon Chodchoy, who passed away.

** Assoc.Prof. Siriporn Maneeapan was appointed on May 13, 2020 to replace Mr. Nirut Maneeapan, who resigned from the position

Moreover, The Audit Committee Meeting has approved DIA International Auditing Office Company Limited to be the Company's Internal Auditor As an external agency (Outsource) and reports directly to the Audit Committee every quarter.

Scope of Authority and Responsibilities of the Audit Committee

1. Review the company's financial reports to be accurate and sufficient financial by coordinating with external auditors and responsible executives; preparing quarterly and annual financial reports. The audit committee may suggest that the auditor should review or inspect any items that are considered important and necessary during the audit of the company.
2. Review the company to have an internal control system and internal audit system that are appropriate, sufficient, and effective, including considering the independence of the internal audit department as well as giving approval to the appointment, transfer, and dismissal of the head of the internal audit department or any other departments responsible for internal auditing.
3. Review the company to comply with the law on securities and stock exchange regulations of the Stock Exchange of Thailand or laws related to the company's business.
4. Consider, select and nominate independent individuals to act as the company's auditors; propose the remuneration of the said person with regard to reliability, sufficiency of resources and the workload of that audit office and the experience of the personnel assigned to audit the company's accounts including to attend the meetings with auditors without the attendance of management at least once a year.
5. Consider the connected transaction or transactions that may have conflicts of interest to be accurate and complete and to be in accordance with the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and to the maximum benefit for the company.
6. Prepare the report of the Corporate Governance Committee of the Audit Committee by disclosing in the company's annual report. The said report must be signed by the chairman of the audit committee and must contain at least the following information:
 - (1) Comments on the accuracy, completeness, and credibility of the company's financial reports.

- (2) Comments on the sufficiency of the company's internal control system.
 - (3) Comments on compliance with the Securities and Exchange Act Regulations of the Stock Exchange of Thailand or laws related to the company's business.
 - (4) Comments on the suitability of the auditor.
 - (5) Comment on transactions that may have conflicts of interest.
 - (6) The number of the audit committee meetings and the attendance of each member of the audit committee.
 - (7) Overall opinion or observation that the Audit Committee received from performing its duties under the Charter and
 - (8) Other transactions that shareholders and general investors should know within the scope of duties and responsibilities assigned by the Board of Directors.
7. Perform other duties as assigned by the Board of Directors with the approval of the audit committee.
 8. In the performance of duties of the audit committee, if found or suspect that the following items or actions may have a significant impact on the company's financial status and operating results, the Audit Committee must report to the Board of Directors for improvement within the time that the Audit Committee deems appropriate. The Audit Committee has the power to seek independent opinions from any other professional advisors when considering necessary at the company's expense in order to successfully perform tasks under responsibility:
 - (1) Items that cause conflicts of interest
 - (2) Fraud or irregularities or significant defects in the internal control system
 - (3) Violations of laws governing securities and exchange, regulations of the Stock Exchange of Thailand, or laws related to the company's business.
 - (9) Review and propose to amend the scope of duties and responsibilities of the audit committee as appropriate
 - (10) Review and discuss with management about the company's key risks, including following up and controlling the management to proceed in accordance with the company's risk management policy.
 9. Review regulations and the previous year's performance at least once a year.

Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee to nominate and define criteria for transparent and fair remuneration to Directors and the senior executives in compliance. The Nomination and Remuneration Committee hold at least one meeting a year.

31 December 2020, the Nomination and Remuneration Committee held 4 meeting. Details are as follow:

Name	Position	The Meeting of the Committee	Remark
Mr.Chai Jroonthanapibarn	Chairman of NRC / Independent Director	4/4	
Mr.Paiboon Kujareevanich*	Member of NRC / Independent Director	-	
Mr.Siriwat Vongjarukorn	Member of NRC / Director	4/4	
Mr.Attapon Chodchoy*	Member of NRC / Independent Director	3/4	*Deceased

Mr.Varut Tantipipop is a secretary of the Nomination and Remuneration Committee.

**Mr.Attapon Chodchoy passed away at 22 September 2020, The Board of Directors Meeting No.7/2020 approved to appoint Mr.Paiboon Kujareevanich to be the Independent Director in replacement.*

Scope of Authority and Responsibilities of the Nomination and Remuneration Committee

Regarding the nomination and selection of directors

- 1) Consider and propose the structure, composition and qualifications of the Board of Directors and various sub-committees
- 2) Consider the criteria and process for recruiting; nominate a suitable person to be a director and a chairman of the executive officers. When it is the end of the term or there is vacancy of other executive positions as assigned by the Board of Directors, the Board of Directors shall consider and present to the Board of Directors 'meeting and / or shareholders' meeting (depending on the case).
- 3) Suggest the names of the directors who will be in various sub-committees of the company
- 4) Determine the criteria for evaluating the performance of the executive committee and present to the Board of Directors for approval.
- 5) Evaluate the performance of the Chief Executive Officer and directors in various sub-committees to review the work problems and obstacles each year in order to be able to use the evaluation results to develop and improve operations in various areas and propose to the Board of Directors for further consideration.

Regarding remuneration

- 1) Consider and recommend the monetary and non-monetary remuneration of the Board of Directors, Chief Executive Officer and various sub-committee directors, including other benefits to be suitable for both compensation at a fixed rate (such as regular remuneration, meeting allowances) and remuneration according to the company's performance (such as bonus pension), which is linked to the value that the company created for shareholders but not too high to focus just short-term operational outcomes only. It shall be presented to the Board of Directors meeting for consideration and approval and to the shareholders' meeting for further approval.
- 2) Disclose policies and criteria for determining remuneration for directors that reflect each of their duties and responsibilities including the form and the amount of compensation as well. The amount of compensation shall be disclosed, including the remuneration that each director receives from being a director of the subsidiary company.

Executives Committee

The Executive Committee of the Company consisted of 5 persons. The Executives Committee hold every month. In the year 2020, The Executive Committee held 8 meetings. The names are as follows

Name	Position	Executives Committee Meeting	Remark
Mr.Verawat Ongvasith	Chairman of Executives Committee / Chief Executive Officer	8/8	
Mrs.Tosaporn Angsuwarangsi	Executives Director	8/8	
Mrs.Napasorn Soonthornmanokul	Executives Director	8/8	
Mr.Surasak Wongkiatthavorn	Executives Director	8/8	

Authorities and Duties of Chief Executives Officer

1. Govern and monitor the performance of Executive Committee
2. Advise the management on business procedure
3. Govern and monitor Management to perform according to the resolution of the Board of Directors
4. Perform other duties as assigned by the Board of Directors

Scope of Authority and Responsibilities of the Executive Committee

1. Run and manage the business of the company and subsidiaries according to the objectives, regulations, policies, regulations, requirements, orders and resolutions of the Board of Directors' meeting.
2. Consider and create business directions, policies, strategies, goals and action plans, financial and budget goals, human resource management, investment, outreach, public relations of the company and subsidiaries to be in accordance with the framework determined by the Board of Directors. To approve, control and supervise the operations of the appointed working group to achieve its goals by considering appropriate business factors; to propose and request for approval to the Board of Directors. In the event that the situation is changeable, the Executive Board will review the approved budget to suit the situation.
3. Supervise, inspect and monitor the company's business operations to be in accordance with the policy, business strategy, goals and action plans, financial goals and the company's budget which has been approved by the Board of Directors to be spent efficiently and effectively for business conditions as well as providing advice and recommendations of management to senior executives.
4. Study the feasibility of investing in new projects, hold authority to consider and approve the company to invest or jointly invest with individuals, juristic persons, or other business organizations In the form that the Executive Committee deems appropriate to operate the business according to the company's objectives as well as considering and approving the spending for the said investment; entering juristic acts, agreements, and / or any actions related to such matters until the completion of the specified limit and / or the relevant laws and regulations and / or the regulations of the company.
5. Track the performance and progress of investment projects of each business and report the results including problems or obstacles occurred and guidelines for improvement to the Board of Directors.
6. Examine and make recommendations regarding the dividend payment policy of the company and report to the Board of Directors.
7. Consider and give suggestions or opinions to the Board of Directors regarding projects, proposals or entering any transaction related to the company's business operations, including considering funding options when needed and beyond the specified limit and / or the relevant laws and regulations or the company's regulations; assign to the shareholders' meeting and / or the Board of Directors to consider and approve.
8. Consider and approve financial transactions with financial institutions for opening accounts, borrowing loans, pledge mortgages, guarantees and others, including the purchase and registration of any land ownership according to the objectives for the benefit of the company's business as well as entering legal acts, contracts, submitting requests for proposals and making legal contact with government in order to obtain the rights of the company and / or any actions related to such matters until the completion of the specified limit and / or the relevant laws and regulations or company regulations.

9. Consider and approve orders, regulations, management policies and business operations or any operations which are binding the company.
10. Define organizational structure and executive power
11. Appoint and / or assign executive directors, one or many directors or any person or any act that is within the scope of the Executive Committee or may authorize the said person to have power as the Executive Committee deems appropriate and within as the Executive Board deems appropriate. The Executive Committee may cancel, withdraw or amend the authorized persons or such power as it deems appropriate. There will be no authorization given to persons who may have conflicts of interest in the operation.
12. Direct the executives, managers, or employees to attend the board meeting or prepare and provide information relating to matters to be discussed in the Executive Committee meeting.
13. Command any authority and responsibility as may be assigned or according to the policies assigned by the Board of Directors from time to time.
14. Procurement of consultants or those with independent opinions to provide opinions or recommendations as necessary.
15. Report to the Board of Directors of the activities within the scope, authority and duties of the Executive Committee on a regular basis, including any other matters that are necessary and appropriate to be submitted to the Board of Directors for acknowledgment.
16. Consider and approve operation manual and the scope of responsibility of the management for the various operations follow the systematic procedures
17. Consider and approve the normal business operations of the company according to the investment budget or budget approved by the board of directors. The limit for each transaction is specified in the approval of authority table which has been approved by the Board of Directors, which is not more than the annual budget approved by the board of directors, including entering various contracts related to the said matter.

Executive

As of 31 December 2020, The Company has 5 Executives, namely are as follows;

- | | | | |
|----|--------------|-----------------|--|
| 1. | Mr.Verawat | Ongvasith | Chief Executive Officer and Acting Vice President of Property Development |
| 2. | Mrs.Tosaporn | Angsuwarangsi | Chief Financial Officer |
| 3. | Mr.Surasak | Wongkiatthavorn | Executive Vice President of Hotel Operations |
| 4. | Ms.Ladda | Somsiripornchai | Senior Vice President Accounting |
| 5. | Mr.Varut | Tantipipop | Vice President Corporate Finance, Investor Relations and Company Secretary |

Company Secretary

The Board of Directors approved Mr.Varut Tantipipop as a Corporate Secretary since 16 October 2020. The Profile is as follow;

Mr. Varut Tantipipop

- Position Vice President Corporate Finance, Investor Relations and Company Secretary
- Age 35 years old
- Education / Training
 - Bachelor of Finance, Northern Illinois University
 - Certificated of Institute of Directors
 - Company Secretary Program class 112/2020
- Experience

Veranda Resort PLC.

2015 - Present Vice-President Corporate Finance, Investor Relations and Company Secretary

Subsidiaries

2019 - Present Director, PDS Holding Co.,Ltd.
 2016 - Present Director, Hua Hin Pool Suite Co.,Ltd.
 2016 - Present Director, Oak Tree Co.,Ltd.
 2016 - Present Director, Oak Tree Realty Co.,Ltd.
 2015 - Present Director, The ISA Resort Co.,Ltd.
 2015 - Present Director, Veranda Cuisine Co.,Ltd.

Other Companies

2018 - Present Director, Hung Jew Holding Private Limited.
 2018 - Present Director, Vivat Investment Limited

Scope of Authority and Responsibilities of the Corporate Secretary

1. To provide preliminary information and advices to the Board and executives in regard to the compliance with business-related laws, regulations, and company's rules and ensure the concise and effective compliance, as well as report the change of the laws that might have significant impacts on the Board and executives.
2. To follow and oversee the disclosure of report and information regarding practices, announcements, and regulations of The Stock Exchange of Thailand, Securities and Exchange Commission, and Capital Market Supervisory Board.
3. To conclude the report of the Securities Holding and the change of Securities Holding of Directors, Managers, Executives and their spouses/partners, underage offspring or adopted child, the Juristic Persons that Directors, Managers, Executives and their spouses/partners and the minors which their holdings are over 30% of the total vote of that the Juristic Persons in the Board meeting that is head every 6 months.

4. To follow and oversee the shareholders' meetings and the Board of Directors' Meeting to be align with the laws and company's rules and practice, as well as follow the implementation of the agreement in shareholders' meeting and in the Board of Directors' Meeting.
5. To prepare and keep the following documents
 - (A) A register of directors
 - (B) A register of shareholders
 - (C) Notice of the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting and sub-committee meeting
 - (D) Notice of the shareholders' meeting and minutes of the shareholders' meeting
 - (E) Company's annual report
6. To keep the conflict-of-interest report and the Certificate of Independent authorized by the Board or executives and send the copies of those documents to the Board and the Chairman of Audit Committee within 7 working days after receiving those reports.
7. To create knowledge and understanding about the guidelines and drive the effective management of the company.
8. Oversee the activities of the Board of Directors and any other procedure to be align with the laws and/or the announcement of Capital Market Supervisory Board and/or as being assigned by the Board of Directors.

Remuneration of Directors and Executives

The company has stipulated the remuneration policy to be fair, transparent, and in line with the job responsibility. The remuneration has been considered by Remuneration and Nomination Committee with the respect of company's benefit. The detail are as follows:

Monetary Remuneration

The 2020 Annual General Meeting of Shareholders on 16 July 2020 approved the annual rate of remuneration for directors of year 2020, which specified the directors and sub-committees shall receive the remuneration within Baht 3 million. The details are as follows;

Positions	Remuneration (Baht per Year)	
	2019	2020
Chairman of the Board of Director	420,000	420,000
Vice-Chairman of the Board of Director	210,000	210,000
Director	210,000	210,000
Chairman of the Audit Committee	150,000	150,000
Member of the Audit Committee	90,000	90,000
Other Sub Committee	-None-	-None-

The details of the remuneration for each director are as follows:

Name of Directors			Positions	2019 (THB)	2020 (THB)
1.	Mr.Chai	Jroongthanapibarn	Chairman / Independent Director	420,000	315,000
2.	Mr.Verawat	Ongvasith	Vice Chairman	210,000	157,500
3.	Mr.Attapon	Chodchoy ⁽¹⁾	Chairman of Audit Committee / Independent Director	360,000	180,000
4.	Mr.Paiboon	Kujareevanich ⁽²⁾	Chairman of Audit Committee / Independent Director	-	75,484
5.	Mr.Nirut	Maneepan	Audit Committee / Independent Director	300,000	92,339
6.	Assoc.Prof. Siriporn	Maneepan ⁽⁴⁾	Audit Committee / Independent Director	-	132,661
7.	Mr.Trairak	Tengtrairat	Audit Committee / Independent Director	300,000	225,000
8.	Mrs.Tosaporn	Angsuwarangsi	Director	210,000	157,500
9.	Mrs.Napasorn	Soonthornmanokul	Director	210,000	157,500
10.	Mr.Surasak	Wongkiatthavorn	Director	210,000	157,500
11.	Mr.Kittisak	Sopchokchai	Director	210,000	157,500
12.	Mr.Siriwat	Vongjarukorn	Director	210,000	157,500
Total				2,640,000	1,965,484

(1) Mr.Attapon Chodchoy deceased at 22 September 2020

(2) Mr.Paiboon Kujareevanich has been approved be the Chairman of Audit Committee and Independent Director to replacement Mr.Attapon Chodchoy since 16 October 2020

(3) Mr.Nirut Maneepan resigned from Independent director and Audit Committee at 12 May 2020

(4) Assoc.Prof.Siriporn Maneepan has been approved to be the Audit Committee and Independent director to replacement Mr.Nirut Maneepan at 13 May 2020

Remuneration of Executives

The Nomination and Remuneration Committee has guidelines for evaluating the performance of the executives by assigning the Chief Executive Officer to consider and approve the appropriateness of determining the remuneration individually and comparing remuneration in the same position and industry with short-term benefits to adjust the salary rate, annual bonus and other benefits, and long-term benefits include provident fund.

In 2020, the Company paid remuneration for executives comprising of salary, bonus, provident fund, and social security worth totaling Baht 16.66 million

Remuneration	2019		2020	
	Persons	THB	Persons	THB
Executives	6	21,264,200	5	16,660,781

Other Remuneration

The Board and executives have been provided the appropriate benefits following the company's Board executives, and employee benefit regulation approved by the shareholders in 2020. The benefit of food expenses and room expenses for the hotels business of the company and sub-companies which The Board and executives have been received worth totaling Bath 0.27 million

Personnel

The company and sub-companies have the number of employees (excluding the Board of Directors and executives in the management structure) as of 31 December 2019 categorized by work department as follows;

Department	No of person
Hotel Operation	749
Restaurant and beverage Operation	139
Real Estate & Business Development	10
Supporting (Head Office)	58
Total	947

Rules on Consideration of Remuneration for employees of the Company

The Company has considered establishing format and rule for payment of remuneration and welfare for employees which is consistent with the company's operating results in both short term and long term as follows.

Consideration of Short-Term Remuneration:

- The Company has established the Salary structure and considered from education, knowledge and experience by comparing with other companies in the same industrial sector
- The Company has considered of salary adjustment and bonus payment once a year which is consistent with the company's operating results.
- The company providing welfare services to the employees; Accident Insurance, Health Insurance and arrange annual health check once a year for employee healthy. Others welfare are allowance for cremation and employee's seminar etc.

Consideration of Long-Term Remuneration:

- Company has a criterion for considering adjustment of staff level on a regular basis, once a year to consider of performance and ability of employees
- The Company has established the Provident Fund for employees to encourage money saving by the employees.

In the year 2020, The company and sub-companies have provided the remuneration to the employee in forms of salary, overtime pay, addition expenses support, bonus, and other remuneration including provident fund, social security, food expense, work uniforms, and others, totaling Baht 321 million.

The Company's Human Resources Development Policy

The Company commits to operate the business in align with Good Corporate Governance- being transparent, impartial, responsible for the society, culture and environment, as well as to support the capability development of personnel's excellence in all dimension. The Company well realizes the importance of human resource as the most valuable and critical force to drive the organization. By this mean, the Company focuses on cultivating employees to be highly capable, ethnical, honest, to be responsible for organization and society. Beyond that, the Company also encourage the employees to involve in Corporate Social Responsibility, which the Company believe that cultivating of employees to be good and capable will support the sustainable growth of the organization. The Company has concrete plan for employee development in all dimension to support to company to continue business effectively. The details are as follows;

1. Executive development

- 1.2. The Company has implemented Managerial Competency to be implemented as a foundation for the executive's development in regard to their skill, knowledge, and the capacity to accomplish their work.
- 1.3. The Company has organized the training courses and other development programs for Company's executives that suits with their capabilities.
- 1.4. The Company has organized the orientation for new executives who just take the positions to enable them to seamlessly adjust themselves to the new roles, responsibilities, and the new expectation of the given roles.
- 1.5. The Company has continually encouraged the executives to share their experience to other executives and Company's staffs to create a learning atmosphere in the company and lead to organizational development

2. Personnel Management

The Company will nominate, support, and look after the highly capable, ethical employees and encourage them to apply their knowledge and capability effectively and efficiently at work that could enable and support the company to be successful as targeted. To do so, the company has set the following policies as the guidelines for human resource management

- 2.1 Every employee will be treated fairly with respect and dignity like they are the important parts of the Company
- 2.2 The company will conduct a fair recruiting proceed by considering the qualifications, skills, knowledge, capability, and other qualifications that suit with each role. The employees will be appointed to the role that suit with their skillset and could be shifted depending on the appropriateness suggested by the Company
- 2.3 The company put the importance on effective communication which could enhance the effectiveness and good relations within the organization. Thus, the Company will ensure the employees receive the useful information in the right occasion and will provide information as much as possible
- 2.4 The Company will consider fair remuneration to the employees, following the nature and type of work and their performances
- 2.5 The Company will assess employee's performance at least once a year in order to improve the work efficiency and enhance each employee's capability. Also, the company will give suggestions and development plans following the result of the assessment.

3. Human Resource Development

The Company has the policy to develop the capability, skill, knowledge, for the employees continuously in order to support the development of employee's idea, personality, and technique for work as follows;

- 3.1 Training Plan- to stipulate the human resource development plan of each department to enhance employees' knowledge, understanding, that would enable them to work effectively in their given role
- 3.2 External Training- to develop capability, knowledge, ability in accordance with the scope of work. The Company will enable employee to attend the seminars and trainings with external organizations as well as provide the fieldtrips domestically and internationally
- 3.3 In-house Training- to develop the idea, capability, knowledge, ability to perform their work, to be in align with the goal of the Company and with the competitive circumstance at the present time
- 3.4 On the Job Training- to develop employees' skills so that they could work more effectively

4. Talent Workforce and Succession Planning

To create stability, continue proceeding the work to achieve goals, and to avoid the loss that might happen, The Company has prepared the plan of talent workforce to prepare for any circumstance or transformation that might happen. The plans are as follows;

- 4.1 The company has set the rules for the resignation notification of 30 days for employees and 60 days for executive positions so that the company has sufficient time to recruit new positions
- 4.2 The Company has set the competency of the main roles or high-level executives' roles as the guideline for recruiting the right successors who will replace such roles
- 4.3 The Company has set the performance assessment in accordance with the competency of each role and implement that assessment result into Talent workforce plan as the preparation for the future successors.
- 4.4 The company has the successor plans as follows;
 - Organizing internal training for employees to support them to gain more knowledge and capability to perform their work more efficiently, in align with the competency required for the new roles
 - Organizing leadership training courses in various topics to prepare the employees to be a qualified successor for the higher positions

Cooperation of employees in ethics and code of conduct and corporate governance.

The Board has established policies and encourages employees abide by the ethics and The Company's code of ethics, including corporate governance policies by applying the code of ethics and business ethics as part of the new employee orientation course, On the first day of work, employees are given explanations and understanding for implementation. There are still communications to employees about The Company's corporate governance policy continuously with the aim of raising awareness and it is everyone's duty to help each other to keep The Company's operations to be consistent with the intention. In the past year, there were no cases of employees who failed to comply with or violated the ethics and corporate governance policies of The Company.

Significant labor dispute

-None-

Corporate Governance

The company realizes how important good corporate governance is. It supports business operations to run efficiently and yielding sustainable growth as well as maximizing benefits to all concerned – employees, shareholders, other stakeholders. Therefore, the company's board of directors has proper perspective to have a good corporate governance policy covering major contents starting from board of director's organization chart, their roles, duties, and responsibilities to their management principles which shall be transparent, clear, and verifiable to be used as a management direction of the organization, and to ensure that any operations go right, just, and optimize benefits of all shareholders and stakeholders. The company's corporate governance policies embrace good governance practices for companies registered in 2017 which are compiled by Securities and Exchange Commission as a procedure.

Good Governance Policies

In 2020, the company operated its operations using good governance practices as following:

Principle 1: The Board of Directors' Roles and Responsibilities

Principle 1.1

The Board of Directors understands their roles, duties, and responsibilities as leaders directing the organization to be well-managed. Such management encompasses objectives and goals, strategies, operations, resource supplies, observations, evaluations, and reporting's at least in every three months.

Principle 1.2

The Board of Directors superintends the organization to have governance outcome. In other words, the organization holds competitive advantage and favorable turnovers in the long run. It shall transact on the basis of ethics, respect for the rights and responsibilities of shareholders and stakeholders. It shall generate benefits to society and apt to unfavorable factors.

Principle 1.3

The Board of Directors supervises directors and executives to have their duties of care, and of loyalty. The Board shall operate the organization in compliance with laws, regulations, shareholder resolutions, policies/procedures mentioned. The Board shall authorize salient operational processes regarding investment, business transactions which are of significant importance and impact, reports of business connections, acquisition/distribution of assets and dividend payments, etc.

Principle 1.4

The Board of Directors comprehends their roles and responsibilities. The Board directs chairman's and management's roles, responsibilities, and performances as assigned. It also supervises and suffices risk management system, internal control, financial and non-financial public disclosure to be accountable.

Principle 2: Directing to Achieve and Sustain Organization's Objectives and Goals

Principle 2.1

The Board of Directors shall direct or supervise, sustain, and align organization's objectives and goals with value proposition to the organization, clients, stakeholders, and overall society, profitability or value proposition competition, and long-term existence of organization under risk and chance factors influencing organization and stakeholders.

Principle 2.2

The Board of Directors directs and superintends objectives and goals including aligning intermediate-range and/or annual strategies of the organization with objectives and goals by prudent uses of technology and safety in regard to current surrounding factors, opportunities, and acceptable risks.

Principle 3: Building a Competent Board

Principle 3.1

The Board of Directors directs and reviews the organization structure – the company's size, numbers of independent directors relevant and favorable to achieve organization's objectives and goals. The Board shall appoint and assign the Nomination and Remuneration Committee to seek qualified, skillful, expertise, and specialized directors for itself and its nomination sub-committee. The Board shall publicize organizational policies, organization chart, background of directors age, education, experience, shareholding proportion, terms of service as director, and other titles in other registered companies in the annual report and company website.

Principle 3.2

As of 31 December 2020, The Board of Directors was comprised of 4 independent directors, 4 executives directors, and 6 non-executives directors.

The Board of Directors shall select an appropriate person as a chairman to ensure that the board composition and operation render independent consideration and judgement. Moreover, the board splits the person entitled as board chairman out of that resumes the same executive title; clearly defining board chairman's and executive's roles and responsibilities so that either of them cannot overpower; monitoring public disclosure of the Board's and sub-committee's roles and responsibilities, previous attendances, and reporting performance of every sub-committees.

The company shall render a nomination and remuneration committee to perform their duties in Principles 3.3 and 3.4. Most of the board members and chairman of the nomination and remuneration committee are independent directors.

Principle 3.3

The Board directs, nominates, and selects the nomination and remuneration committee to be in a clear and transparent process aligning to the set compositions:

- 3.3.1 The nomination and remuneration committee shall confer to bring out criteria and qualified candidates to fulfill an effective manpower composition. Candidate backgrounds are to be presented to the board before the shareholder's meeting is being held to appoint directors of the board. Furthermore, the company will suffice candidate's background information to shareholders for their consideration.

3.3.2 The nomination and remuneration committee shall review criteria and procedures to be presented to directors for their suggestions before the end of their service terms. In case, the nomination and remuneration committee propose the same list of candidates, those candidate's performances must be considered.

3.3.3 Providing that the committee appoints a person as a consultant of the nomination and remuneration committee, disclosure of the consultant's background, including his independency or none of his conflict of interest shall be noted in the annual report.

Principle 3.4

When proposing director's remuneration to the shareholders' meeting for approval, the board under the proposal of the nomination and remuneration committee shall consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, and provides incentives for the board to lead the company in satisfying its objectives, both in the short and long terms.

According to the annual general meeting of the company in 2020 on 16th July 2020, the resolution regarding annual director's remuneration as per year 2020 was granted in the total amount not exceeding 3,000,000 baht for the board directors and sub-committee directors. The details are as following:

Principle 3.5

The board shall superintend all directors to perform their duties with responsibility and to allocate time sufficiently. Each director must attend at least half of total numbers of committee meetings held in a year, except in case of necessary grounds.

The Board shall arrange a meeting at least every three months. The date of the board's meeting is booked in advance and informed to all directors by meeting invite letter at least 7 days. In 2020 the company had the board's meeting 8 times in total.

The board sets a reporting system of board director's other post take ups to be opened and acknowledged. In case board directors hold a post of a director or an executive or having gain & loss directly or indirectly in other companies either competitors or exploitations by using company's information or business opportunities, the board must declare and confirm its preventive measures and report to shareholders properly.

Principle 3.6

The board shall direct the company's governance framework and mechanism applicable to policies and operations of subsidiaries and other businesses in which it has a significant investment for good understanding and suitability.

The Board shall consider governance policies for subsidiaries covering:

- (1) levels of authorities – directors, executives, or heads of subsidiaries – are appointed by the board except such subsidiaries are small and appear as operating arms of the company. The board shall assign the chairman of executive directors to appoint those positions.
- (2) to define roles and responsivities of company delegates stated in (1). Such delegates supervise operations aligning subsidiary's policies. In case subsidiaries have other joint ventures, the board shall set policies for the best benefits of subsidiaries for delegates to perform. Such policies shall be in compliance with mother companies.

- (3) Internal control system of subsidiaries shall be executed appropriately, precisely, and sufficiently. Doing other transactions is run by the rule of law and concerned criteria.
- (4) Information disclosure of financial status, operational outcomes, and doing other transactions with related persons, acquisition and distribution of assets, other significant transacting, capital increase, capital decrease, termination of subsidiaries, etc.

Principle 3.7

The Board is to arrange performance evaluation of all directors as a whole and individually. Working performance, problems, obstacles in each year are reviewed in order to use results of evaluation for developing and improving performances in many areas.

- The Board requires company's directors to assess themselves. Assessment is carried out into 3 types 1) self-assessment form as the whole board of directors 2) self-assessment form as per sub-committee and 3) self-assessment form of individual sub-committee member. Assessment criteria are in line with the example of self-assessment of The Stock Exchange of Thailand. The secretary of the company has compiled, summarized and reported assessment results to the board of directors.
- The company arranges to have performance evaluation of the chairman of the executive officers covering leadership, strategic planning, financial planning and financial performance so as to develop operations more effectively.

Principle 3.8

The board directs individual director to understand his roles, business characteristics, related business legal terms as well as supporting them to build up skills and knowledge necessary to director-on-duty performance regularly.

Principle 3.9

The Board monitors the director's business operations whether it is in place, being able to access necessary data, having a qualified, resourceful and experienced secretary to support operation of the board.

Principle 4: Nomination and Development of Chief Executives and Personnel Management

Principle 4.1

The Board runs organizational operations to make certain that there is a nomination and trainings for the chairman of the executive officers and chief executives to become skillful, experienced, and being a value asset of the company so that business operations run continuously.

Principle 4.2

The Board recommended by the nomination and remuneration committee governances the appropriate structure and assessment.

Principle 4.3

The Board perceives structures and relationship among shareholders which may influence management and operations of the company.

Principle 4.4

The Board observed human resource management and personnel development to be resourceful, skillful, experienced, having satisfactory incentives, being treated fairly to retain capable personnel's, including setting a provident fund or other caring mechanism to help personnel's have their savings sufficient for retirements.

Principle 5: Business Operations with Responsibility's
Principle 5.1

The Board priorities and supports business operations which enrich business values together with creating benefits to clients and to whom it may concern, and having social and environmental responsibilities.

Principle 5.2

The Board oversees the management to operate business with social and environmental responsibilities by compiling business ethical policies covering the following topics:

- (1) Responsibility to Staff and Employees by operating under the rule of law and involved standards, treating staff and employees with fairness and with respect to human rights such as defining fair remunerations and other fringe benefits, providing welfare within the limit or exceeding terms of law as deem appropriate, having health care and safeguarding at workplace, training, developing potentiality, career promoting, and giving opportunities for staff to develop other fields of skill.
- (2) Responsibilities to Clients by complying with laws and involved standards; considering health, safety, and fairness, client confidentiality, after-sale service throughout product life span and years of service, assessment of customer satisfaction to improve product quality, services, including advertising and public relations. Sales promotion shall be done with responsibilities, avoid misunderstanding or exploitation of client's misunderstanding.
- (3) Responsibilities for Business Partners by engaging in fair procurement process, contracting or agreement conditions; providing access to training, developing potentiality, enhancing production and service standards; supervising business partners; respecting for human rights, treating company's workforce fairly; responsible for society and environment; monitoring, checking, and evaluating partners so as to develop mutual transactions sustainably.
- (4) Responsibilities to the community by applying business knowledge and experience to develop projects that can concretely add value to the community, while observing and assessing long-term progress and success .
- (5) Responsibilities to the environment by preventing, reducing and managing negative impact on the environment from all aspects of the company's operations, including uses of raw material, energy, water, renewable resources, waste and emission management from business operations.
- (6) Fair competition by conducting open and transparent business transactions and avoid making unfair competitive advantages.
- (7) Anti-fraud and corruption by complying with applicable laws and standards; implementing and announcing anti-fraud and corruption policies to the public. The company may consider its participation in anti-corruption with

network associates; supporting other companies and business partners to launch their own anti-corruption policies and joining network associates.

Principle 5.3

The board shall monitor the management to allocate and manage resources efficiently and effectively to enable the company to meet its objectives sustainably.

Principle 5.4

The board shall establish a framework of information technology (IT) governance in the organization, aligning with the company's needs and priorities in order to add up business opportunities and performance. The board shall recognize that the company's risk management encompasses the IT risk management, namely the compliance with IT law, regulations, articles, and standards, the information security system for confidentiality, integrity and availability, including preventive measures for abuses and misuses of information, or changing data without permission, business continuity management, and incident management, etc.

Principle 6: Supervision of Accountable Risk Management and Internal Control**Principle 6.1**

The Board shall thoroughly oversee that the company has effective and appropriate risk management and internal control systems that are aligned with the company's objectives, and comply with applicable law and standards.

Principle 6.2

The board shall establish an audit committee that can act effectively and independently and whose member's qualifications meet the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The board shall direct the audit committee's duties as noted in charters of the audit committee.

The board shall establish an internal control section that holds independency in sphere of working to be responsible for reviewing and improving the effectiveness and the adequacy of the company's internal control and risk management systems, in addition to reporting review results to the audit committee and disclosing its opinion in the company's annual report.

Principle 6.3

The board shall manage and monitor conflicts of interest that might occur between the company and the management, directors, or shareholders. The board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.

The board shall set requirements and practices to have the said transactions run and disclosed under legal terms and for the benefits of the company and shareholders as a whole. Directors and stakeholders are not to get involved in decision making or abstain from being present for discussion on that agenda item.

Principle 6.4

The board should establish clear anti-corruption policies and practices, including communicating those to all levels of organization and to outsiders to take actions.

Principle 6.5

The board should establish a mechanism for handling complaints and whistleblowing as well as making aware of the complaint channels through the company's website or annual reports.

Principle 7: Retainment of Disclosure and Financial Integrity**Principle 7.1**

- The board shall observe the company's financial reporting system and disclosure of significant information to be in time, sufficient, accurate and consistent with applicable requirements, standards, and practices. The board shall manage personnel who deal with preparation and disclosure of any information of the company to have relevant knowledge, skills and experiences qualified for their responsibilities and sufficient volume of staffing. Such personnel's can be referred to chief financial officer in accounting and finance, accountant, internal auditor, company secretary, and investor relations officer.
- The board shall supervise the information disclosures such as financial statements, annual reports, and Form 56-1 to reflect the company's financial status and performance properly. The board shall promote the inclusion of the Management Discussion and Analysis (MD&A) in quarterly financial reports in order to provide to investors more complete and accurate information about the company's true financial status, performance and variable circumstances apart from data in financial statements only

For disclosures related to any individual director, that director shall reveal his information with accuracy and completeness such as his own shareholders' information and any of his shareholders' agreement.

Principle 7.3

The board shall monitor the company's financial liquidity and solvency by assigning the management section to regularly monitor, evaluate and report to the board regarding the company's financial status. The board and management shall collaborate to find solutions providing that any threats to the company's financial liquidity and solvency are being addressed.

In regard to approving of any transactions or comments in shareholder's meetings, the board shall take into consideration that those are done without negative impacts towards business continuity, financial liquidity, and solvency.

Principle 7.3

When the company faces financial difficulties or inclining to have obstacles, the board shall take into account the solution plans or other mechanism to mitigate those and in regards to stakeholder's rights.

Principle 7.4

The board shall manage sustainability reporting appropriately. The board shall also report data on the company's compliance and ethical performances, including anti-corruption performance, its manners towards employees and stakeholders (including fair treatment and respect for human rights) and social and environmental responsibilities within a report framework that meets domestic and international standards. The board can disclose this information in the annual report.

Principle 7.5

The board shall direct the management to have an Investor Relations officer responsible for exchanging information with shareholders and other stakeholders such as investors and analysts in appropriate means of communication, equality, and timing.

Principle 7.6

The board shall encourage the use of information technology in disseminating information. In addition to the company's mandatory disclosure of information pursuant to applicable requirements and by the channel of The Stock Exchange of Thailand, the board shall consider regularly disclosing current information in both Thai and in English through company's website.

Principle 8: The Support of Engagement and Communication with Shareholders
Principle 8.1

The board shall take into account that shareholders have the opportunity to participate in decision-making involving significant corporate matters.

8.1.1 The board shall supervise significant corporate issues both stated in legal terms and impacted directions of business's operations. Such issues shall be considered and/or approved by the shareholders and to be included in the agenda for the shareholders' meeting.

8.1.2 The board shall support participation of all shareholders through reasonable criteria as following:

(1) Establishing criteria that allow minority shareholders to propose agenda items in shareholder's meetings.

The board shall consider shareholders' proposals being included in the agenda, and if the board rejects any of the proposals, the reasons should be given in shareholder's meetings.

(2) Establishing criteria for minority shareholders to nominate persons to serve as directors of the company.

8.1.3 The board shall arrange for the notice of the shareholders' meeting and related papers to contain accurate, complete, and sufficient information both in Thai and English versions and to be sent to shareholders and posted on the company's website at least 14 days before the meeting.

8.1.4 Shareholders shall be allowed to submit questions prior to the meeting. The board shall declare clear criteria for shareholders to submit advanced questions. The criteria shall be posted on the company's website.

Principle 8.2

The board shall supervise the shareholder's meetings to be held as scheduled with transparency and efficiency, and supporting inclusive and equitable treatment of all shareholders and their ability to exercise their rights. The board shall set the date, time, and venue of the meeting by considering the interests of shareholders. The board shall promote the use of information technology in the shareholders' meetings such as registration and vote counting to be fast and accurate.

The chairman of the board is the chairman of the shareholders' meeting with responsibility for complying with applicable legal requirements and the company's articles of association, allocating sufficient time for consideration and debate of agenda items, and providing opportunity to all shareholders who wish to share their opinions or ask questions related to the company, and agreeing with the right of shareholders to participate in the company's decision-making. Directors as participants of the meeting and as shareholders shall not support any adding items which are not sent beforehand and without necessary to the meeting

agenda. On account of important agenda, shareholders need time to analyze before making their decisions. All directors and relevant executives shall attend the meeting to answer questions from shareholders on company-related matters.

The board shall promote the use of ballots for voting on important resolutions proposed at the shareholders' meeting and designate an independent party to count or to audit the voting results in the meeting, and to disclose such voting results at the meeting by identifying the number of "for", "against" and "abstain" votes. The voting results for each proposed resolution shall be noted in minutes of the meeting.

Principle 8.3

The board shall monitor the disclosure of voting results on proposed resolutions at the shareholders' meeting through the designated Stock Exchange of Thailand channels and through the company's website. The board should circulate copies of minutes of the shareholders' meeting to the Stock Exchange of Thailand within 14 days from the date issued in the shareholder's meeting.

Training of Directors

The Company encourages the directors to attend the training program to increase their understanding on the roles and responsibilities under the good corporate governance campaign by internal training Program and others institute.

The Company provides education training for new directors in various courses related to the roles and responsibilities of the directors under the good corporate governance framework such as roles and duties of directors in accordance with the rules and regulations of the directors, the Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), Public Company Limited Act and Thai Institute of Directors (IOD) etc. also encourage specialized knowledge for directors to promote effective performance such as financial reporting knowledge.

Training of The Board of directors

The Company encourages training and knowledge sharing for directors, to promote continuous performance improvement in management under good corporate governance. There are the directors who has been trained in IOD courses are as follows;

Name	Positions	Courses of IOD						
		Director Accreditation Program (DAP)	Director Certification Program (DCP)	Advanced Audit Committee Program (AACP)	Audit Committee Program (ACP)	Corporate Governance for Capital Market Intermediaries (CGI)	Effective Minute Taking (EMT)	Company Secretary Program (CSP)
Mr.Chai Jroongthanapibarn	Chairman of the Boards / Independent		29/2003		4/2005			
Mr.Paiboon Kujareevanich	Chairman of AC / Independent Director	113/2014					108/2008	159/2018
Assoc.Prof.Siriporn Maneeapan	Member of AC / Independent Director	27/2004						
Mr.Trairak Tengtrairat	Member of AC / Independent Director	109/2014		15/2014				
Mr.Verawat Ongvasith	Director / Chief Executive Officer	22/2004						
Mrs.Tosaporn Angsuwarangsi	Director / Chief Financial Officer	22/2004						
Mrs.Napasorn Soonthornmanokul	Director	137/2017						
Mr.Surasak Wongkiattavorn	Director	137/2017						
Mr.Kittisak Sopchokchai	Director	9/2004	42/2004					
Mr.Siriwat Vongjarukorn	Director	54/2006						

Due to the rapid and widespread impact of the Coronavirus (Covid-19) pandemic and in addition to the order of the Centre for the Administration of the Situation due to the Outbreak of the Communicable Disease Coronavirus 2019 (COVID-19) to effectively prevent the Covid-19 outbreak in accordance to the zoning guidelines based on regulations issued under Section 9 of the Emergency Decree on Public Administration in Emergency Situations B.E. 2548 (2005) to refrain from activities that risk of the disease spreading such as meetings, seminars, and training and to delay traveling across residential areas; the Company, therefore, did not send any directors to attend training in 2020.

Evaluation of the Board of Directors

The Company has a policy to ask its Board of Directors to the principles of good corporate governance for listed companies to evaluate its performances at least once a year with principles and threads in the assessment with the Stock Exchange of Thailand to consider and review their performances and issues and obstacles over the year and to increase the effectiveness of the Board of Directors by principle and the topic in the evaluation in accordance with the stock exchange of Thailand as follows.

1. Composition and Qualifications of the Board of Directors
2. Board Meetings
3. Roles and Responsibilities of the Board of Directors
4. Duties and Independence of the Board of Directors
5. Relationship with the Board of Directors Management
6. Board Development which appraises are different sub-headings based on roles and responsibilities.

For self-assessment process of Board, Nomination, Compensation, and Corporate Governance Committee will consider performance of the Board of Directors and the committees prior to propose to the Board of Directors for consideration. Secretary will submit the evaluation form to the Board of Directors to appraise annual performance. After evaluation process has been done, will be submitted back to secretary to collect scores of each individual. The results of the performance appraisal of the Board of Directors were analyzed and reported to the Board of Directors for acknowledgment and to seek direction in supporting the performance of the Board which evaluation comprises of self-assessment form of the Board, subcommittees and individual committee.

More than 85 %	=	Excellent
More than 75 %	=	Very Good
More than 65 %	=	Good
More than 50 %	=	Acceptable
Less than 50 %	=	To be improved

In 2020, the self-assessment of the Board of Directors, individual and sub-committees can be summarized as follows;

(A) Entire Board of Directors with an average score of 90.02 at an excellent level which the highest score is topic of Board of Directors' meeting. Since 2020, economic conditions are rapidly changing and more intense, also company has plans to invest in business expansion resulting in company to have more board meetings by named a strategic meeting to brainstorm various opinions of each director which is beneficial to business

(B) Individual Board of Directors has an average score of 97.16 at an excellent level with the highest score being Structure and Qualifications of Board of Directors. Since Board of Directors is a person with diverse knowledge and capabilities and be able to provide useful advice for business.

(C) Audit Committee get an average score of 99.40 at an excellent level due to Audit Committee is able to perform duties in accordance with Charter of Audit Committee and being independent from management

(D) Nomination and Remuneration Committee get an average score of 98 at excellent level because of performing duties in recruiting directors and determining remuneration for directors, also manage to control company to comply with requirements of good corporate governance as well.

The succession plans

Company recognizes importance of succession planning for top executives and the President to ensure sustainable management. Nomination and Remuneration Committee determines qualifications of the successor to all aspects of management including knowledge management skills and experiences to ensure that the successor has knowledge sufficient ability to officiate. It also sets the potential for good leadership that information is based on assessment of the Stock Exchange of Thailand and applied to the context of company and assigned Human Resources Management to be responsible for project. Starting from the process of selection of external quality institutes and developed a program of qualified executive development that meets the criteria and guidelines which includes the testing and selection process on summary and report format. This will be used to provide information to the Nomination and Remuneration Committee.

Holding the position of the President in another company

The Board takes into account importance on the performance of duties as President to ensure the sufficient time to perform his duties. The Board of Directors has determined the policy for the Managing Director shall not be appointed as a Director in more than 2 other listed companies and must be agreed by the Board of Directors.

In addition, the Managing Director/Chief Executive Officer shall not hold Director Position in other company which has the same nature as and is in competition with the business of the Company unless the Board of Director has agreed. The above regulations are except being Director in subsidiary company.

Whistle blowing or Complaints

The Company has provided channels for all stakeholders to report or complain about unlawful activities or those in violation of the law, rules, regulations, or corporate governance principles including incorrect financial reports or defective internal control systems of the Company to the Independent Director and Audit Committee.

E-mail : auditcom@verandaresort.com

Post Mail : The Audit Committee
Veranda Resort Public Company Limited
No. 555 Rasa Tower building 27th Floor, Paholyothin Road,
Chatuchak, Bangkok, 10900 Thailand.

Action after Receive the Complaint

Once we received the complaint, the Audit Committee will consider the complaint and inform the relevant parties to investigate facts about the complaint and resolve the complaint appropriately. The Audit Committee will periodically monitor the progress of complaint. The relevant parties will notify the result to the complainant within a reasonable period. The Audit Committee shall report to the Board of Directors.

Protection and Confidentiality of the Complainant

To protect the rights of complainant and relevant informants who acts in good faith, the Company shall keep all information of complainants and informants in confidentiality. Only the persons who are responsible in conducting inspection about the complaints can have access to such information. The assigned persons to handling the complaint are responsible for keeping all information regarding the complaint, relevant documents as confidential and shall not disclose such information to other persons unless the disclosure is required by laws.

Guidelines for the process of anti-corruption

The Board recognizes and places importance on anti-corruption. By cooperating with various agencies in combating corruption as appropriate The Company is in the process of raising the of anti-corruption of the organization. To be certified as a member of the Private Sector Collective Action Coalition Against Corruption Project (CAC).

Environmental Protection and Efficient use of resources

The Company has concerned and promoted employees to save and use resources efficiently for the maximum benefit. The environmental impact is major to consider. So, the Company sets policy for employees as follows;

- The company set requiring to care the environment and use resources efficiently is part of the company's operations and consistent with the law and other regulations.
- The Company consider that take care of environment and use resources efficiently is the responsibility of all employees.
- The Company supports knowledge for the employees in the way of caring the environment and use resources efficiently to raise awareness to employees all levels, realize and keep importance in Environmental Protection and Efficient use of resources. The new employee has to be training about the environment protection and efficient use of resources.

Corporate Social Responsibility Policy

In the age where today's world society has progressed far and become an era of growth in industry, technology and future innovation, however, such growing developments may be invading the world of nature and environment whether it is the enormous emissions of greenhouse gases, rise of sea levels due to melting glaciers, and greater risk of extinction of different animal species. Turning back and caring for our planet on the day that is not yet too late seem to be a matter that every country around the world has turned back to focus.

For the world of business and investment, consideration of impact on society and environment has become an important factor that investors are interested in social and environmental responsibilities, including which levels of the corporate governance (Environment, Social, and Governance or called "ESG").

Veranda Resort Public Company Limited operates business under the framework of good governance, transparency and accountability with a commitment to business development while balancing the economy, society, and environment. The Company is determined to remain as a role model for the society (Good Corporate Citizen) in operating sustainable business and able to manage the business to grow steadily and be accepted in the society based on ethics and good corporate governance principles, as well as, being able to generate returns to shareholders effectively, and taking into account the impact of business operations on all stakeholders. The Company has realized its social responsibility; therefore, the policy on social responsibility has been established in various areas as follows:

1. Operating a fair business

The company has determined guidelines to take care of stakeholders as written in the company codes of conduct. By taking responsibility into account, the company cares for stakeholders who are from shareholders, employees, clients, business partners, contractors, communities, society to environment. The company also promotes free trade and fairness, avoiding actions that may cause conflicts of interest and intellectual property violations including all forms of anti-corruption in various topics as following:

(1) Supervision of business

The company is committed to conduct business properly with honesty, fairness, transparency, disclosure of important information which can be verified in regard to the benefits and impacts on shareholders, clients, business partners, employees and all interest parties as well as providing appropriate and fair dividends of benefits.

(2) Social responsibility

The company has an operational policy regarding Corporate Social Responsibility (CSR) under ethical principles for the fairness to all interested parties concerned as well as taking evidence of good governance to be a guideline in order to maintain a balance of operations in economic, community, social and the environmental aspects which will lead to the development of sustainable and successful business.

(3) Compliance with laws, rules and regulations

The company values laws, and regulations regarding the environment, hygiene and safety at local, national, and regional levels. Implementation of international business ethics is included by requiring directors, executive directors and employees to act within the laws' framework and regulations. No cooperation, support, or any other actions which infringe the rules of laws and regulations is a must.

(4) Supervision of performance in compliance with laws on intellectual property

The company does not support actions that are in violation with intellectual property by assigning executive directors and employees to follow the law's framework, rules and regulations. They must not be of witnesses, giving hands or any actions that are against the laws and any other regulations relevant to the intellectual property.

(5) Promoting the use of resources efficiently

Company promotes directors, executive directors and every level of employees in the organization to effectively, appropriately and adequately use of resources, maximize utilities, communicate, give knowledge, promote and create awareness among employees including to whom it may concern in order to manage uses of existing resources and make the most of them for the benefit of the organization.

2. Respect for human rights with equality

The company gives importance about respecting human rights with the need in creating the equality to both inside and outside of the organization. The company keeps monitoring and taking care of company business not to take part in both directly and indirectly in violations of personal liberty rights such as not supporting the forced labour used, protesting against child labour used, paying respect and treating all of the stakeholders with fairness based on human dignity. No discrimination is treated among company personnel. All is treated equally regardless of origin, ethnics, sex, complexion, religion, physical condition, family statuses or other status that are not directly involved with working performance, along with the promotion to monitor performance in accordance with terms of human rights in the organization. An urge is made to stimulate actions following principles of international standards of human rights under the responsibility of human right business covering subsidiaries, co-investors and partners.

3. Labor Justice Practice

The company policy is to provide every employee to stay together under happy working environment and to accept one another. Also, it is said to treat every level of employees as brotherhood; no exploitation among one another; taking care of employees. The company has managed in all levels of human resources to bring out maximum efficiency starting from personnel recruitment, human development, along with employee training, setting fair remuneration, and providing appropriate welfares. Aside from these, the company also promotes and supports for every employee to have a chance to make progress, to learn in each and every level of organization, to develop working skills as professionals based on appropriate environment. The policies are various as following:

(1) Employee Remuneration and Welfare

The company has payroll policy in terms of salary and/or bonus based on performance as deem appropriate and fair in order to strengthen career security and progress. Many types of welfares are provided to employees in accordance with terms of laws such as social security. What is more than the legal limits is health and accident insurance for employees including any other subsidies such as a subsidy for employee's parents' Punnakij ceremony, etc.

(2) Development of Employee Knowledge Potential and Training

The company has a policy to promote personnel development by supporting employees to have knowledge development, ability, potentiality, good attitude, morality, ethics, and teamwork. Moreover, the company supports the organization development and human resource by focusing on working process that is of effectiveness, by setting rules and roles of duties clearly, determining ways to set optimized dividends, improving evaluating system and boosting employee's working capabilities.

(3) Safety and Hygiene Policy

The company sets a policy to support employees to work safely and hygienically in good working places where the company aims at accident prevention which may occur at full capacity and build safety awareness to the employees as well as giving knowledge via training and promoting employees to have good hygiene and avoid doing such things that might cause harm to personal hygiene, clients, and users together with caring of working places to be in good hygiene and always staying safe.

4. Responsibility for clients and consumers

The company realizes the importance of clients and consumers. That is to say, the company runs hotel and resort and/or condominium business. Its dedication can be seen from supreme quality, impressive service, unique design as well as the best function unit plan design to appreciate its clients and customers.

5. Environmental Care

The company gives value to risk analysis together with environmental and safety impacts in every step of operations. Resources and energy are used efficiently and saved in accordance with international standards. Regarding hotel and asset development projects, the company is meticulous about high quality and eco-friendly materials. Indoor energy saving equipment and architecture are cherished. Inverter air conditioners, LED bulbs, electricity-saving water heaters are the examples for saving electricity consumption in the long run.

6. Collaboration with Community or Society Development

The company conducts transactions beneficial to economy and society. The belief of being a good citizen and complying with rules and laws is always bonded within the organization. The company dedicates to develop, encourage and elevate quality of life in community and society where the company is located. As the company grows, the growth of community neighborhoods shall become.

The company holds a policy in taking care and bonding with neighbors. Community activities are regularly supported to the maximum benefit, properness, and sustainability of the community. Company employees support and participate in community activities consistently.

7. Reporting Social and Environmental Information

The company discloses information regarding its performance in social responsibility to the benefit of stakeholders. The information covers transactional, environmental, safety, and social aspects. Reporting is disclosed accurately via many channels of communications so that stakeholders can easily access to the information.

Internal Control and Risk Management

The company's board of directors assigns the audit committee which has 3 independent members to examine the company's internal control and internal audit systems, as well as to justify independency of auditors in compliance with satisfactory quality, sufficiency, and suitability of internal control system, to reduce risks or damages which may occur and to achieve company's goals and objectives.

The company employs DIA Audit Company Limited whose internal auditing team leader is Mr. Chumpote Prairattanakorn, an experienced, versatile internal auditor, to inspect company internal controls. He will assist the audit committee to investigate, evaluate the internal control system and overall risks, to write a formal report and to give suggestions from his findings.

In 2020, the audit committee had meetings with internal auditors four times. Minutes of meetings were read to company's board meeting. The auditors quarterly inspected internal controls in compliance with approval of the audit committee. The inspection covered business operations and activities. The summary was as following:

1. Organizational and Environmental Controls

The company requires positive internal control environment. The company's board sets operational business goal clearly and cooperates with management team to plan operational activities of the company and its subsidiaries. Previous organization's operations and goals are reviewed. So are the economic status and risk factors. Vision, strategies, budget planning are also implemented to comply with objectives laid out.

The company sets an organization chart due to management efficiency, well organized internal controls, and appropriate levels of authorities.

The company declares codes of ethics in organization's operation to all employees. Honesty and morality shall be in sphere of working. Penalty is applied to violations against ethical requirements. Moreover, the company launches a policy of good governance to create fairness to whom it may concern.

2. Risk Management Control

The company lays out risk management process to control and reduce risks which may occur from internal and external factors by appointing a risk management team consisting of chief executives of each department. They are tasked to manage risks at reasonable levels and to determine suitability for current situation. Regular meetings are held in order to collect, analyze, evaluate risks of organization's operations. Effective measures shall be executed to reduce such risks together with the satisfactory follow-up of those measures.

3. Management Performance Control

The company clearly implements policies and practices to limit authorities and approval authority in cash amount at each level of management. Job descriptions are also clearly stated. Transactions with other companies or individuals are conducted under acceptable rules and conditions of normal trade. Mutual transactions shall be presented to the audit committee for approval before they are being conducted. The approval is approved by nonpartisan persons only and with regard to maximum benefit of the company and shareholders.

4. Information System and Communication Control

The company administers information system to cover operations in both organizational and functioning levels. Systematic development is carried out consistently so that information is correct and updated. Information security and data collection are to be well organized with respect to availability, functioning, and timing for the need of chief executives, and for communicating to people involved fast and effectively.

5. Tracking System Control

The audit committee is tasked to monitor and evaluate the internal controls. The internal auditor is to review and evaluate performance with respect to annual audit plan approved by the audit committee. The audit committee meets chief executives, internal auditors, external auditors concerning internal controls every quarter to hear errors in marking and remedy to overcome in appropriate time. In 2020 according to the formal report from the auditor, the company and its subsidiaries had efficient internal controls; no major risks were uncovered.

INTERCOMPANY TRANSACTIONS

Intercompany transactions with related entities in the year of 2020

Person / Legal Entities which may arise conflicts	Relationship	Types of transactions	Million Baht in 2020	Reasonableness of intercompany transactions
VC Land Company Limited	director / executives / majority shareholders are directors and majority shareholders in the said	Building space rental service	1.36	Rent approximately 396 baht per square meter which is comparable to neighborhood office rent.
Vichai Trading (1983) Company Limited	directors / shareholders are directors and majority shareholders in the said company.	purchase of assets	2.23	The cost is comparable with that from other distributors or service providers. Terms of payment from intercompany transactions are under normal trading conditions.
		purchase of products	0.24	
Siam Future Development Public Company Limited	directors / executives / majority shareholders are directors in the said company.	rent and space service charge	1.33	Transactions are caused by normal business operations which is comparable to neighborhood office rent.
Mrs. Paradee Poolvoruluk	shareholder / sibling of directors, executives and majority shareholders	income from the sale of condominiums	23.63	Transactions are conducted by normal business practices with discount offer at 15 percent from the set price which can be comparable to that offered by the company to other external customers.
Miss Nicha Angsuwarangsi	daughter of director, executive, majority shareholders	Reservation deposit, down payment of condominium units	2.30	Discount offer at 20.0 percent is given. Such rate is in accordance with welfare policy applicable to directors and executives of the company group.
Miss Sirada Soonthornmanokul	daughter of director, shareholder	Reservation deposit, down payment of condominium units	2.11	Discount offer at 20.0 percent is given from the set price. Such rate is abided by welfare policy applicable to directors and executives of the company group.
Mr. Thitikorn Sopchokchai	son who reaches legal age of directors, shareholders	Reservation deposit, down payment of condominium units	1.96	Discount offer at 20.0 percent is given from the set price. Such rate is abided by welfare policy applicable to directors and executives of the company group

Audit Committee Report

The Board of Directors has appointed an audit committee, comprises of 3 independent directors who were qualified and experienced in accounting, finance, law and management, and meet the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, namely Mr. Paiboon Kujareevanich as the Audit Committee Chairman (substitute Mr. Attapon Chodchoy for his death), Mr. Trairak Tengtrirat and Asst Prof. Siriporn Maneepun (substitute Mr. Nirut Maneepun for his resignation) as the Audit Committee Members.

The Audit Committee has performed its duties and independently shared opinions within the scope of duties and responsibilities according to the Audit Committee Charter. In 2020, the Audit Committee has held a total of 5 meetings and the meeting of each member of the Audit Committee can be summarized as follows:

Audit Committee Member	Position	Number of Meetings Attended
1. Mr. Paiboon Kujareevanich/ Mr. Attapon Chodchoy	Audit Committee Chairman	5
2. Mr. Trairak Tengtrirat	Audit Committee Member	3
3. Asst. Prof. Siriporn Maneepun/ Mr. Nirut Maneepun	Audit Committee Member	4

Each meeting was a meeting with the Company's management staff, internal auditors, and auditors (except for the 1st meeting that it was a meeting with the auditors without the presence of the Company's management) and the contents may be summarized as follows:

- Financial Report:** The Audit Committee reviewed the quarterly and 2020 financial statements of the Company and its subsidiaries to ensure that the Company had accurate and reliable financial reporting. The Audit Committee provided opinions that such financial statements were prepared in accordance with the Thai Financial Reporting Standards (TFRS) with correct and sufficient disclosure of information, consistent with the auditor's opinion.
- Connected Transactions or Transactions which might give rise to conflicts of interest:** The Audit Committee reviewed the disclosure of intercompany transactions with the companies or related people to ensure that the Company operated its business with reasonableness and normal trade practices for the best interest of the Company. The Audit Committee provided opinions that such connected transactions were disclosed correctly and completely with normal business conditions in accordance with regulations set by the Stock Exchange of Thailand.
- Internal Control System:** The Audit Committee reviewed the adequacy and appropriateness of the Company's internal control system from the report of the internal auditors together with the management every quarter, including follow-up on the outcome of the auditor's review of the Company's internal control and information

systems to ensure that the operations of the Company had an adequate internal control system and did not have any significant deficiencies.

4. **Legal Compliance:** The Audit Committee reviewed the Company's operations to comply with the law on securities and exchange, Regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, and other laws relating to the Company's business. The Audit Committee provided opinions that no significant issues had been found in the areas of non-compliance with relevant laws and regulations.
5. **Consideration for Selection and Nomination of the Auditor and Determination of Remuneration for the Auditor:** The Audit Committee considered the selection and nomination of the auditor by taking into account the auditor's reliability, independence, knowledge, experience and reasonableness of the auditing fee. The Audit Committee proposed the Board of Directors to appoint EY Office Company Limited as the Company's auditor for 2020.
6. **Risk Management:** The Audit Committee reviewed the adequacy and appropriateness of the risk management from the internal auditor's report and the report of the Risk Management Committee. The Risk Management Committee was responsible for risk assessment, risk probability and impact on business operations, along with finding ways to prevent risks to reduce the potential impacts to an acceptable level. The Audit Committee provided opinions that the Company had a risk management system that was suitable and sufficient for its business conditions and regularly adjusted to suit the current situation.

In summary, the Audit Committee fully performed its duties by applying knowledge, competence, prudence and expressed independent opinions throughout the working period, and adhere to the principle of accuracy and transparency for the equal benefit of all stakeholders.



(Mr. Paiboon Kujareevanich)

Audit Committee Chairman

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee (The Nomination Committee) had been assigned to perform duties and responsibilities in accordance with the charter set by the Board of Directors. Such important duties and responsibilities included setting up policies and criteria for the selection of directors; selection of candidates who were qualified according to the relevant laws, regulations, rules, and procedures to propose to the Board of Directors for consideration of appointment of directors; establishment of compensation policies and criteria to propose to the Board of Directors' meeting, reporting the performance of the Nomination Committee to the Board of Directors' meeting; and reporting the annual report and registration statements to the shareholders. In 2020, the Nomination and Remuneration Committee, consisted of three Directors, with four meetings of the Nomination and Remuneration Committee had considered the following matters:

1. Selection of Directors

The Nomination Committee had considered recruiting people from a wide variety of professions who were qualified with relevant laws and regulations, such as Law on Director's Qualifications, Public Company Law, Rules and Regulations of the Securities and Exchange Commission and etc. In addition, names and qualifications of suitable candidates to serve as directors are also considered in accordance with the company's business strategies; and according to the structure of directors, who must have knowledge in various areas, professional skills, specifications, gender and etc. The Committee also offered the opportunity for minority shareholders to nominate candidates to be elected as the company's Board of Directors. The nominations were open from October 2020 to December 2020 and the Nomination Committee had performed as follows:

- 1) Recruited directors to replace those who were due to retire according to their terms of office. The Committee had followed the recruitment process and proposed their opinions to the Board of Directors for consideration of suitable candidates before presenting to the Annual General Meeting of Shareholders for further appointment of the company's directors.
- 2) Recruited directors to replace vacant positions for reasons other than the terms of office. The Committee had proceeded the recruitment of suitable candidates in accordance with the selection process and proposed their opinions to the Board of Directors for further appointment of the company's directors.

2. Consideration of the Remuneration of the Board of Directors

The Nomination Committee had considered the compensation by considering the appropriateness of remuneration in accordance with the obligations and assigned responsibilities; and compared with businesses of similar types and sizes. Performance, achievements, business environment and the overall economic condition of the country had also been taken as factors for consideration.

3. Consideration of Criteria for Performance Evaluation of the Board of Directors

The Nomination Committee had established a system for performance evaluation of the Board of Directors, both Sub-Committees and individuals, once a year to help the Board review the performance, work issues and obstacles in performing the duties of the Committee during the past year in order to solve problems together and lead to improvement and development. Principles and topics for evaluation were consistent with the Stock Exchange of Thailand and had been updated to suit the company.



(Mr. Chai Jroongtanapibarn)

Chairman of the Nomination and Remuneration Committee

Report of the Board of Directors' Responsibilities in Regard to Financial Statements

The Board of Directors duly recognized their obligations and responsibilities with regard to the financial statements for Veranda Resort Public Company Limited and its subsidiaries. The financial statements were prepared in accordance with Accounting Act, B.E. 2543 (2000) and regulations of the Securities and Exchange Commission on the preparation and presentation of financial report under the Securities and Exchange Act, B.E. 2535 (1992); based on the adoption of appropriate accounting policies on a consistent basis. In addition, the adequate significant information was disclosed in notes to the financial statements. The financial statements were duly audited and reviewed with an unqualified opinion in the auditor's report

The Board of Directors had exercised efforts to promote good corporate governance principle, and to establish risk management and internal control systems to ensure the recording of accounting information was accurate, complete, and sufficient in order to secure the assets of the company, as well as to prevent fraud or significant unusual operations. The Board of Directors had appointed the Audit Committee whose members comprising independent directors to supervise the financial statements and assess the internal control system and internal audit to be efficient and effective. The opinions of the Audit Committee were in the Audit Committee's report contained in the annual report.

Accordingly, the Board of Directors concluded that the internal control system and internal audit of the company could provide confidence that the financial statements of Veranda Resort Public Company Limited and its subsidiaries had shown financial status, performance and cash flow in an accurate and reliable manner.



(Mr. Chai Jroongtanapibarn)
Chairman of the Board of Directors



(Mr. Verawat Ongwasith)
Chief Executive Director



Management Discussion & Analysis



Management Discussion & Analysis

Management's analysis and explanation

Tourism industry overview 2020

COVID-19 outbreak impact on the international tourism industry in 2020, resulting in a decrease of revenue from the tourism industry by 2.18 trillion baht or 72.79% compared to the previous year, which decreased in revenue of foreign tourists 1.58 trillion baht and revenue from domestic tourism 0.60 trillion baht respectively. As a result of the travel restrictions enforced in almost all countries of the world to contain the pandemic. The pandemic affected all regions of the world.

Thailand Ministry of Tourism and Sports Revealed a report summarizing the tourism situation that there were 6.7 million foreign tourists in 2020, a decrease of 33 million, or 83.21 % from the previous year and revenue from foreign tourists was 0.33 trillion baht, a decrease of 82.63% from the previous year, mainly due to the number of tourists accumulated since the beginning of the year before they disappeared during the COVID-19 pandemic. While domestic tourism totaling 90.56 million, a decrease of 82 million, a contraction of 47.58 % from the previous year and accumulated revenue was 0.48 trillion baht, a decrease of 55.40 % from the previous year.

The direction of the Thai tourism market in 2021 must depend on the cooperation of all sectors to control the new wave of COVID-19 and beyond. Perspectives on tourism support policy in Thailand after the COVID facility improves. The government should implement additional support measures until the end of 2021 to help support businesses in the hard-hitting tourism chain.

Another key factor that will rapidly revitalize the tourism market is the COVID-19 vaccination, which in 1Q2021 began to be injected in many countries around the world including America, China, the European Union, and the United Kingdom. For the part of China, it has announced that before Chinese New Year this year, 50 million people will be vaccinated, while in Thailand we need to accelerate the vaccination of local people as well.

Revenues Structure

In 2020, The company has total revenue 2,003 THB mm increased from 1,747 THB mm or representing an increased rate of 15 % that main revenue portion from the property development business mainly due to Veranda Residence Hua-Hin ownership transferred and revenue from the food and beverage businesses also grew compared with previous quarter due to acquire Gram Pancakes and Pablo Cheesetart. While the hotel temporary closed effected by COVID-19 result in hotel business revenue portion decreased. However, in Q4 / 2020 it tends to recover better compared to previous quarter. The following table shows the total revenue structure by business type for annual and the three-month period ended 31 December 2020

Revenues	FY2020	%	FY2020	%	YoY	Q4/2020	%	Q3/2020	%	QoQ
Revenue from hotel operations	562	28%	1,252	72%	-55%	173	35%	123	27%	+40%
Revenue from property development operations	1,260	63%	370	21%	+341%	279	56%	291	63%	-4%
Revenue from sales of food and beverage	133	7%	45	3%	+198%	35	7%	39	8	-10%
Revenue from management service	18	1%	29	1%	-38%	5	1%	5	1%	+2%
Other income	29	1%	50	3%	-43%	9	2%	7	1%	+29%
Total revenue	2,003	100%	1,747	100%	15%	501	100%	465	100%	+8%

For three-month period ended 31 December 2020 The Company has total revenue 501 THB mm increased from 465 THB mm or representing an increased rate of 8 % from previous quarter due to increase in revenue from hotel operation 50 THB mm or representing an increased rate of 40% which is the result of growth in occupancy by domestic tourism improved policy by government measures and the Company having the highest proportion of Thai customers. As a result, the revenue from the hotel business significantly recovered when compared to the previous quarter.

For 2020, The company has total revenue 2,003 THB mm increased by 256 THB mm or representing an increased rate of 15% compared to 2019, mainly due to an 890 THB mm increase in revenue from property development operations. or representing an increased rate of 341% due to the ownership transfer of residential units in Veranda Residence Hua Hin worth 1,147 million baht, with representing 46.5 % of the project value. In addition, the growth of revenue from sales of food and beverage 198 % due to the expansion of the Gram Pancakes store that was acquired at the Q4 / 2019

Revenues and gross profit from hotel operations

Revenues from hotel operations

The details of revenues from hotel operation for the three-month period ended 31 December 2020.

	Unit	For the year ended December 31			For the three-month period ended		
		2020	2019	YoY	31 Dec	30 Sep	QoQ
The number of operating hotels	Hotel	6	5		6	5	
The number of rooms	Room	676	637		676	637	
Occupancy rate	%	31%	68%	-37%	37%	26%	+11%
Average daily room rate	Baht/Room/Night	4,224	4,320	-2%	3,990	4,447	-10%
REVPAR	Baht/Room/Night	1,297	2,928	-55%	1,474	1,172	+27%
Revenues from hotel operations							
Room revenues	THB mm	308	684	-55%	89	69	+27%
Food and beverage revenues	THB mm	179	406	-56%	60	38	+57%
Revenues from other service	THB mm	75	162	-54%	24	16	+50%
Total revenues from hotel operations	THB mm	562	1,252	-55%	173	123	+40%

* Opened 39 rooms of VERSO hua hin - a Veranda Collection in December 2020.

For the three-month period ended 31 December 2020, revenues from hotel business have an increase 50 THB mm or representing an increased rate of 40% compared to the previous quarter due to the recovery of occupations with continued support from Thai customers and stimulating tourism by "We travel together" from the government.

For 2020, revenues from hotel business have a decrease 690 THB mm or representing a decreased rate of 55% compared to the previous year due to the temporary closed of hotel services cause by the outbreak of COVID-19, which resulted in a decrease in food and beverage and other service income.

The details of hotel temporarily close are as following.

Close 1 Apr.

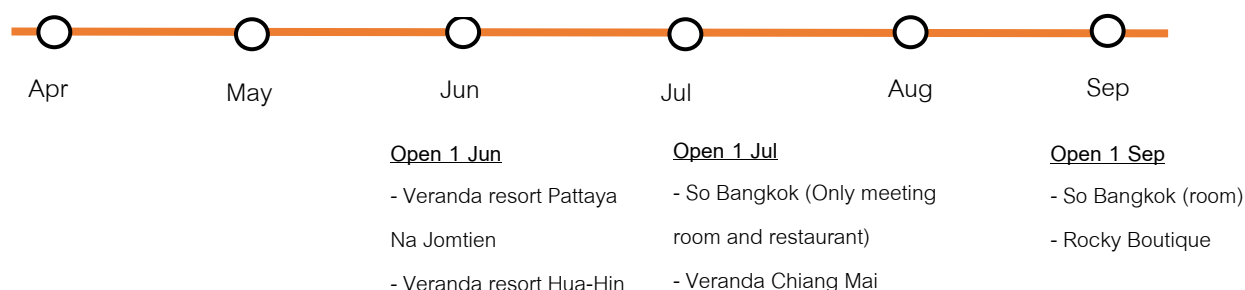
- Veranda Chiang Mai
- So Bangkok
- Rocky Boutique

Close 4 Apr

- Veranda resort Hua-Hin

Close 8 Apr

- Veranda resort Pattaya



Gross profit from hotel operations

	Unit	For the year ended December 31			For the three-month period ended		
		2020	2019	YoY	31 Dec	30 Sep	QoQ
Revenues from hotel operations	THB mm	562	1,252	-55%	173	123	+40%
Cost from hotel operations	THB mm	519	797	-35%	146	123	+18%
Gross profit from hotel operations	THB mm	43	455	-91%	27	-0.04	N/A
Gross profit margin from hotel operations	%	7.6%	36.3%	-29%	15.8%	-0.03%	+16%

For the three-month period ended 31 December 2020, gross profit from hotel operations increased 27 THB mm in line with the recovery in revenue compared to the previous quarter.

For 2020, gross profit from hotel operations decreased by 412 THB mm or representing of 91% compare to previous year due to the outbreak of COVID-19.

Earnings before interest tax depreciation and amortization (EBITDA)

	Unit	For the year ended December 31			For the three-month period ended		
		2020	2019	YoY	31 Dec	30 Sep	QoQ
EBITDA	THB mm	81	336	-76%	38	15	+253%
EBITDA Margin	%	14%	27%	-14%	21%	12%	+10%

For the three-month period ended 31 December 2020, Earnings before interest tax depreciation and amortization (EBITDA) increased by 23 THB mm or representing an increased rate of 253% compared to the previous quarter due to the increasing hotel revenues and cost and expense control.

For 2020, the EBITDA decreased by 76% THB mm from decreased of hotel revenues. However, the continued recovery in the Q3 and Q4 resulted in the hotel business's EBITDA being sufficient to cover interest payments on the hotel business.

Revenue and gross profit from property development operationsRevenue from property development operations

Residential project	Project value	Transfer status					
		For the year ended December 31			For the three-month period ended		
		2020	2019	YoY	31 Dec	30 Sep	QoQ
Veranda High Residence Chiang Mai	198	16	36	-55%	7	0	+100%
Veranda Residence Pattaya	1,900	97	334	-71%	0	21	-100%
Veranda Residence Hua-Hin	2,467	1,147	-	+100%	271	270	+1%
Total	3,581	1,260	370	+341%	279	291	-4%

For 2020, revenues from property development operations increased by 890 THB mm or representing an increased rate of 341% due to

- Veranda Residence Hua-Hin ownership transferred in 2020 for 119 units, 1,147 THB mm which accumulated account for 47 % of the project value.
- Transferred 17 units, 97 THB mm in Veranda Residence Pattaya, which accumulated account for 98% of the project value.

Gross profit from property development operations

Gross profit from property development operations	Unit	For the year ended December 31			For the three-month period ended		
		2020	2019	YoY	31 Dec	31 Sep	QoQ
Revenues from property development operations	THB mm	1,260	370	+341%	279	291	-4%
Cost from property development operations	THB mm	863	272	+317%	195	213	-9%
Gross profit from property development operations	THB mm	497	98	+507%	84	78	+8%
Gross profit margin from property development operations	%	31.5%	26.4%	+5.1%	30.2%	27.0%	+3.2%

For the three-month period ended 31 December 2020, gross profit from property development operations increased by 6 THB mm or representing of 8% increased rate compared with previous quarter mainly due to the Veranda Residence Hua Hin transferred in the 4th quarter had a higher average selling price per square meter than the previous

For 2020, The company has gross profit from property development operations 497 THB mm increased by 99 THB mm or representing of 507% increased rate compared with previous year due to Veranda Residence Hua-Hin has started ownership transferred during March 2020.

Selling expenses and administrative expenses

	For the year ended 31 December			For the three-month period ended		
	2020	2019	YoY	31 Dec	31 Sep	QoQ
	THB mm	THB mm	%	THB mm	THB mm	%
Selling expenses	197	201	-2%	48	43	+12%
Selling expenses to total revenue (%)	10%	12%	-2%	10%	9%	+1%
Administrative expenses	200	256	-22%	50	46	+9%
Administrative expenses to total revenue (%)	10%	15%	-5%	10%	10%	0%
Selling expenses and Administrative expenses	397	457	-13%	98	89	+10%
Selling expenses and Administrative expenses to total revenue (%)	20%	27%	-7%	20%	19%	+1%

For the three-month period ended 31 December 2020, selling expenses increased 12% compare to previous quarter mainly due to the increase in revenue from hotel operations

For 2020, selling expenses decreased 2% compare to previous year mainly due to issuing measures to control fixed expenses such as requesting employee cooperation in salary cut, reduction of advertising costs and negotiation for various services as appropriate, etc.

For the three-month period ended 31 December 2020, administrative expenses increased 9% compare to previous quarter mainly due commission for room sales, franchise and ACCOR management fees, which are variable with the lower revenue described above

For 2020, administrative expenses decreased 56 THB mm or representing 22% compare to previous year mainly due to proper human resource management policy and strictly issuing cost reduction measures resulting in lower selling and administrative expenses from 2019

One-time expense

- For the year 2020, the company has a one-time expense of 16.5 THB mm, including
- Loss from investment in fixed income fund of 2.2 THB mm
- Amortization and reservation 3.8 THB mm
- Reserve potential loss from litigation 4.9 THB mm (based on the conservatism principle, which the case is not yet final and is in the legal process)
- Write off withholding tax and corporate income tax prepaid 5.6 THB mm

Earnings before interest tax depreciation and amortization (EBITDA)

	Unit	For the year ended 31 December			For the three-month period		
		2020	2019	YoY	31 Dec	30 Sep	QoQ
EBITDA	THB mm	352	384	-8%	96	69	+40%
EBITDA Margin	%	17.6%	22.0%	-4.4%	19.2%	14.8%	+4.4%

For the three-month period ended 31 December 2020, EBITDA increased 40% compare to previous quarter due to revenue from hotel operations recovered.

For 2020, EBITDA decreased 8% compare to previous year due to decrease in revenue from hotel operations. However, the diversification of the company's made EBITDA slightly lower among the COVID-19 situation.

Depreciation and amortization

- For 2020, The Company has depreciation and amortization 246 THB mm increase by 28 THB mm or represent increase rate of 13% compare to previous quarter due to
- Depreciation on assets of Gram pancakes and Pablo cheesetart, which the company invested in Q4, 2019 and continued to expand in 2020 of 16.8 THB mm.
- Asset amortization, use rights in accordance with the Financial Reporting Standard No. 16 subject to lease agreements ("IFRS 16") amounting to 17.7 THB mm.
- Depreciation of the hotel operations decreased from the assets that have been write off in 2020.

Financial expenses

Financial expenses for 2020 and 2019 were 80 THB mm baht and 70 THB mm, respectively. The increase in financial expenses was mainly due to gradually discontinue capitalized loan interest of Veranda Residence Hua Hin project as construction costs after project completion. Although the Company stop capitalized interest expense of the project to construction costs after project completion. Financial expenses are slightly increased when compared to the previous quarter due to the Company has gradually paid the loan of the project according to the value of the condominiums that have been transferred.

Net profit and net profit margin

	Unit	For the year ended 31 December			For the three-month period		
		2020	2019	YoY	31 Dec	30 Sep	QoQ
Net profit	THB mm	18.7	83.2	-78%	7.1	-8.6	+182%
Net profit Margin	%	0.9%	4.7%	-3.8%	1.4%	-1.8%	+3.2%

For the three-month period ended 31 December 2020, the Company has net profit of 7.1 THB mm increase by 182% mainly due to the increase in revenue and profit from hotel operations which was affected by support from Thai tourists and the government sector resulting in increased occupancy rate that has been a significant recovery compared to the third quarter of 2020, coupled with the property development business showing a higher gross margin from the previous quarter. In addition, diversified business in property development business and sales of food and beverage restaurants helps the company reduce the impact of the crisis.

For 2020, the Company has net profit of 18.7 THB mm decreased by 64.5 THB mm or represent decrease rate of 78% due to the decrease in revenue and profit from hotel operations which was affected by the global outbreak of the COVID-19.

Financial Statement

	unit	31 Dec 2020	31 Dec 2019	Change %
Total assets	THB mm	5,354	5,454	-1.8%
Total liabilities	THB mm	3,285	3,365	-2.4%
Total equity	THB mm	2,069	2,089	-0.9%
D/E	times	1.59	1.61	
IBD/E	times	1.24	1.06	

As 31 December 2020, the group had total assets of 5,354 THB mm, decrease from 31 December 2019 by 100 THB mm or 1.8%, mainly due to

- Decrease in property development costs from the ownership transfer of Veranda Residence Hua-Hin.
- Increase in rights of use assets from compliance the Thai financial reporting standards No.16 leases and financial instruments group in the current period.
- Increase in PPE by purchase land in Phuket

As of 31 December 2020, the group had total liabilities of 3,285 THB mm, decreased from 31 December 2019 by 80 THB mm or 2.4 %, mainly due to

- Increase in Liabilities under leases from the adoption of IFRS 16 on lease agreements in the current period.
- Decrease in long-term project loans from financial institutions as Veranda Residence Hua-Hin started ownership transfer.
- Increase in overdrafts and short-term loans from financial institutions by borrowing for investment in Phuket projects.

As of 31 December 2020, the group had shareholders' equity of 2,069 THB mm decreased by 20 THB mm or 0.9% from 31 December 2019, mainly due to

- Decrease by 7.8 THB mm from the retain earning regarding the impact of compliance the Thai financial reporting standards no.9 and no.16
- Decrease by 32.0 THB mm from interim dividend payment on 14 May 2020
- Increase by 18.7 THB mm from the net profit in 2020
- Increased by 1.6 THB mm from actuarial profits of

As of 30 December 2020, the Company D/E ratio is 1.59 times and the IBD/E ratio is 1.24 times, by the company has capital structure at an appropriate level.



Independent Auditor's Report

Report and consolidated financial statements

31 December 2020



Independent Auditor's Report

To the Shareholders of Veranda Resort Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Veranda Resort 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 Veranda Resort 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 Veranda Resort Public Company Limited and its subsidiaries and of Veranda Resort Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company 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 Matter

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

- a) Note 3 to the consolidated financial statements. In the fourth quarter of 2020, the Company has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets and liabilities. As a result, in preparing the consolidated and separate financial statements for the year ended 31 December 2020, the Company has decided to discontinue application of the relief measures relating to measurement of expected credit losses using a simplified approach, fair value measurement of debt instruments, reversal of deferred tax assets, impairment of assets and goodwill, which the Company elected to apply under the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. This has no significant impact on the Company's consolidated and separate financial statements.

However, the Company has elected to continue to apply the temporary relief measures on accounting alternatives relating to not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification. The Company is evaluating the impact on the consolidated and separate financial statements and will consider recording such impact on the consolidated and separate financial statements after the temporary relief measures expire.

The Coronavirus disease 2019 (COVID-19) pandemic currently affects the Group's business activities in relation to hotel business. These situations may impact the Group's financial position, operating results and cash flows 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. The Group's management has used estimates and exercise judgement in respect of various issues as the situation has evolved.

- b) Note 4 to the consolidated financial statements, during the current year, the Group has adopted a set of TFRSs related to financial instruments and TFRS 16 Leases.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

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

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

Revenue recognition from sales of real estate

The Group recognises revenue from sales of real estate as described in the Note 5.1 to the consolidated financial statements.

Revenue from sales of real estate recognises a significant portion compared to total revenues and it is a key performance indication to which the management and users of the financial statements pay particular attention. I have therefore focused on audit of revenue recognition from sales of real estate.

I have examined the revenue recognition of the Group including:

- Assessing and testing the Group's IT system and its 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.
- Applying a sampling method to select condominium sale agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreements, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for sales transactions occurring during the year and near the end of the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period.

Compliance with loan covenants in loan agreements from financial institution

As described in the Note 22 to the consolidated financial statements, the Group has significant loan balances, the balance of loan from financial institutions represented 58% of total liabilities in consolidated financial statements, comprising a number of loan agreement from financial institution in each stipulates certain covenants. If the Group is unable to comply with those covenants, this may affect the call of loans from financial institution by the lenders as well as the reclassification of the liabilities from non-current liabilities to current liabilities.

I have examined the compliance with loan covenants in loan agreements from financial institution including:

- Understanding of the process of the management's monitoring of compliance with the covenants stipulated in the borrowing agreements and checked compliance with both non-financial and financial covenants, including whether financial ratios were in line with those stipulated in the borrowing agreements.
- Reviewing the disclosures made with respect to covenants in the notes to the financial statements.
- Checking the waiver letter from the financial institution.

Business combination

As described in Note 14 to the financial statements, during the year 2019 the Company acquired shares of PDS Holding Company Limited ("PDS"). As at the date of acquisition, the Company recognised and measured the assets acquired and liabilities assumed at their fair value and recognised goodwill from the business combination by applying the acquisition method. I have focused on this business acquisition since it is material to the financial statements as a whole, and the management was required to exercise substantial judgement when appraising the fair value of the assets acquired and liabilities assumed. Therefore, there is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed, including recognised goodwill.

I reviewed the terms and conditions of the agreement and inquired with management as to the nature and objectives of the acquisition in order to evaluate whether the acquisition meets the definition of a business combination under Thai Financial Reporting Standard 3 Business combinations. I checked the value of the acquisition against supporting documents and related payments. I assessed the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method by considering the method and significant assumptions used in calculating the fair value of assets and liabilities and testing of the calculation of the fair value. I also assessed the rational of goodwill recognised from the business combination, and reviewed the disclosures related to the business combination in the notes to financial statements.

Other Information

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

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

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

Rosaporn Decharkom

Certified Public Accountant (Thailand) No. 5659

EY Office Limited

Bangkok: 24 February 2021

Veranda Resort Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Assets					
Current assets					
Cash and cash equivalents	8	69,832,330	88,222,720	48,239,473	54,671,479
Current investment	4, 9	-	124,532,649	-	124,385,930
Trade and other receivables	7, 10	32,556,165	55,060,399	18,173,391	21,742,337
Inventories	11	22,855,771	22,042,984	5,131,044	3,753,347
Property development cost	12	1,052,256,973	1,537,049,743	1,026,443,590	1,430,561,438
Advance payment for construction		43,729	57,981,848	43,729	56,437,881
Cost to obtain contracts with customers	27.4	21,299,063	42,747,418	20,172,461	39,764,990
Other current financial assets	4, 7, 9	64,751,455	-	64,603,968	-
Other current assets	7, 13	26,734,741	33,203,730	9,625,518	8,280,699
Total current assets		1,290,330,227	1,960,841,491	1,192,433,174	1,739,598,101
Non-current assets					
Restricted deposit at financial institutions		262,291	263,182	62,291	62,291
Long-term loans to subsidiaries	7	-	-	80,750,000	537,702,777
Investments in subsidiaries	14	-	-	1,929,278,982	1,483,069,594
Investment property	15	12,500,000	12,500,000	12,500,000	12,500,000
Property, plant and equipment	16	3,630,384,267	3,177,700,213	1,329,253,439	764,064,504
Right-of-use assets	17	218,710,140	-	42,295,529	-
Intangible assets	18	95,263,384	36,150,471	4,850,065	5,358,957
Leasehold rights	4, 17	-	89,383,395	-	-
Goodwill	19	50,069,483	31,449,737	-	-
Excess of acquisition cost over net asset value (negative balance) attributable to the Company's investment in subsidiary		-	76,787,549	-	-
Deferred tax assets	29	39,180,757	41,735,627	1,814,691	24,434,890
Other non-current financial assets	4, 7, 9	4,838,516	-	2,411,788	-
Other non-current assets	7	12,204,842	26,803,365	4,310,739	17,042,229
Total non-current assets		4,063,413,680	3,492,773,539	3,407,527,524	2,844,235,242
Total assets		5,353,743,907	5,453,615,030	4,599,960,698	4,583,833,343

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

Veranda Resort Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	20	489,724,480	324,396	452,724,474	318,469
Trade and other payables	7, 21	260,916,268	369,320,421	185,382,260	234,141,517
Current portion of long-term loans from financial institutions	22	606,894,569	1,112,952,609	498,264,290	936,952,609
Short-term loans from subsidiaries	7	-	-	9,500,000	-
Current portion of leases liabilities	17	22,351,029	1,988,767	9,602,935	1,361,607
Current portion of deferred revenue from leasehold rights	23	7,805,320	7,805,320	-	-
Income tax payable		2,068,330	2,399,884	2,068,330	-
Advance received from customers	7	341,806,178	601,735,275	306,126,417	533,691,025
Other current liabilities	7	6,063,326	41,067,859	3,692,121	8,447,891
Total current liabilities		1,737,629,500	2,137,594,531	1,467,360,827	1,714,913,118
Non-current liabilities					
Rental deposit		-	3,669,003	-	-
Long-term loans from financial institutions					
- net of current portion	22	1,308,534,884	1,104,003,737	437,245,666	344,203,737
Leases liabilities - net of current portion	17	139,714,558	1,801,917	34,388,772	1,168,639
Deferred revenue from leasehold rights					
- net of current portion	23	500,000	8,305,320	-	-
Long-term provision for employee benefits	24	17,224,033	17,900,946	10,876,807	9,949,520
Long-term provisions	33.6	4,904,752	-	4,904,752	-
Deferred tax liabilities	29	57,737,802	56,266,485	-	-
Other non-current financial liabilities		3,615,866	-	-	-
Other non-current liabilities	7	14,636,686	35,334,964	5,318,877	10,082,213
Total non-current liabilities		1,546,868,581	1,227,282,372	492,734,874	365,404,109
Total liabilities		3,284,498,081	3,364,876,903	1,960,095,701	2,080,317,227

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

Veranda Resort Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
Note		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Shareholders' equity					
Share capital	25				
Registered					
350,000,000 ordinary shares of Baht 5 each		1,750,000,000	1,750,000,000	1,750,000,000	1,750,000,000
Issued and fully paid-up					
319,681,672 ordinary shares of Baht 5 each		1,598,408,360	1,598,408,360	1,598,408,360	1,598,408,360
Share premium		819,968,299	819,968,299	819,968,299	819,968,299
Share discount on business combination					
under common control		(120,629,995)	(120,629,995)	-	-
Capital deficit from change in shareholding					
in subsidiaries		(471,467,670)	(471,467,670)	-	-
Retained earnings					
Appropriated - statutory reserve	26	20,380,000	11,905,000	20,380,000	11,905,000
Unappropriated		222,586,832	250,547,620	201,108,338	73,233,529
Other components of shareholders' equity		-	6,513	-	928
Total shareholders' equity		2,069,245,826	2,088,738,127	2,639,864,997	2,503,516,116
Total liabilities and shareholders' equity		5,353,743,907	5,453,615,030	4,599,960,698	4,583,833,343

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

Directors

Veranda Resort Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from hotel operations	7	561,612,987	1,252,204,451	197,438,864	259,867,796
Revenue from management service	7	17,969,861	28,765,746	18,359,418	30,126,930
Revenue from sales of real estate	7	1,260,381,262	370,549,320	1,163,249,212	36,128,286
Revenue from sales of food and beverage		133,488,943	44,827,542	7,912,622	6,181,136
Interest income	7	601,477	369,319	17,298,728	20,887,810
Dividend income	7	-	-	-	77,974,179
Other income	7	28,876,870	50,180,766	10,924,679	25,747,777
Total revenues		2,002,931,400	1,746,897,144	1,415,183,523	456,913,914
Expenses	7				
Cost of hotel operations		518,919,762	797,256,264	138,387,224	166,839,943
Cost of management service		10,254,790	16,950,146	2,379,210	5,564,699
Cost of sales of real estate		863,022,562	271,541,081	785,026,919	26,789,544
Cost of sales of food and beverage		107,637,023	37,600,597	4,813,131	4,243,278
Selling expenses		197,099,792	201,649,106	127,594,300	63,632,148
Administrative expenses		199,828,892	255,837,700	112,269,875	105,797,927
Total expenses		1,896,762,821	1,580,834,894	1,170,470,659	372,867,539
Profit from operating activities		106,168,579	166,062,250	244,712,864	84,046,375
Finance costs	7	(80,602,533)	(69,708,935)	(37,573,242)	(20,418,704)
Profit before income tax revenue (expenses)		25,566,046	96,353,315	207,139,622	63,627,671
Income tax revenue (expenses)	29	(6,893,115)	(13,160,845)	(37,649,542)	11,571,418
Profit for the year		18,672,931	83,192,470	169,490,080	75,199,089
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sale investments					
- net of income tax		-	(4,564)	-	225
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		-	(4,564)	-	225
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss) - net of income tax	24, 29	1,641,966	(1,511,262)	(772,112)	(735,094)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		1,641,966	(1,511,262)	(772,112)	(735,094)
Other comprehensive income for the year		1,641,966	(1,515,826)	(772,112)	(734,869)
Total comprehensive income for the year		20,314,897	81,676,644	168,717,968	74,464,220

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

Veranda Resort Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit attributable to:					
Equity holders of the Company		18,672,931	83,192,470	169,490,080	75,199,089
		<u>18,672,931</u>	<u>83,192,470</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		20,314,897	81,676,644	168,717,968	74,464,220
		<u>20,314,897</u>	<u>81,676,644</u>		
Earnings per share	30				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.06</u>	<u>0.28</u>	<u>0.53</u>	<u>0.25</u>

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

Veranda Resort Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements

Equity attributable to the owners of the Company

							Other components of shareholders' equity			
							Other comprehensive income			
							Surplus on changes in value of available-for-sale investments		Total other components of shareholders' equity	
							Retained earnings		Total shareholders' equity	
Note	Issued and fully paid-up share capital	Share premium	Share discount on business combination under common control	Capital deficit from change in shareholding in subsidiaries	Appropriated	Unappropriated				
Balance as at 1 January 2019	1,223,408,360	464,904,627	(120,629,995)	(471,467,670)	6,571,685	275,742,621	11,077	11,077	1,378,540,705	
Profit for the year	-	-	-	-	-	83,192,470	-	-	83,192,470	
Other comprehensive income for the year	-	-	-	-	-	(1,511,262)	(4,564)	(4,564)	(1,515,826)	
Total comprehensive income for the year	-	-	-	-	-	81,681,208	(4,564)	(4,564)	81,676,644	
Increase in share capital	25	375,000,000	355,063,672	-	-	-	-	-	730,063,672	
Appropriated - statutory reserve	26	-	-	-	-	5,333,315	(5,333,315)	-	-	
Dividend paid	34	-	-	-	-	(101,542,894)	-	-	(101,542,894)	
Balance as at 31 December 2019		1,598,408,360	819,968,299	(120,629,995)	(471,467,670)	11,905,000	250,547,620	6,513	2,088,738,127	
Balance as at 1 January 2020		1,598,408,360	819,968,299	(120,629,995)	(471,467,670)	11,905,000	250,547,620	6,513	2,088,738,127	
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard	4	-	-	-	-	-	(7,832,518)	(6,513)	(7,839,031)	
Balance as at 1 January 2020 - as restated		1,598,408,360	819,968,299	(120,629,995)	(471,467,670)	11,905,000	242,715,102	-	2,080,899,096	
Profit for the year		-	-	-	-	-	18,672,931	-	18,672,931	
Other comprehensive income for the year		-	-	-	-	-	1,641,966	-	1,641,966	
Total comprehensive income for the year		-	-	-	-	-	20,314,897	-	20,314,897	
Appropriated - statutory reserve	26	-	-	-	-	8,475,000	(8,475,000)	-	-	
Dividend paid	34	-	-	-	-	-	(31,968,167)	-	(31,968,167)	
Balance as at 31 December 2020		1,598,408,360	819,968,299	(120,629,995)	(471,467,670)	20,380,000	222,586,832	-	2,069,245,826	
		-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	

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

Veranda Resort Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Separate financial statements							
	Note	Issued and fully paid-up			Other components of shareholders' equity		
					Other comprehensive income		Total shareholders' equity
		share capital	Share premium	Retained earnings		Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity
				Appropriated	Unappropriated		
Balance as at 1 January 2019		1,223,408,360	464,904,627	6,571,685	105,645,743	703	1,800,531,118
Profit for the year		-	-	-	75,199,089	-	75,199,089
Other comprehensive income for the year		-	-	-	(735,094)	225	(734,869)
Total comprehensive income for the year		-	-	-	74,463,995	225	74,464,220
Increase in share capital	25	375,000,000	355,063,672	-	-	-	730,063,672
Appropriated - statutory reserve	26	-	-	5,333,315	(5,333,315)	-	-
Dividend paid	34	-	-	-	(101,542,894)	-	(101,542,894)
Balance as at 31 December 2019		1,598,408,360	819,968,299	11,905,000	73,233,529	928	2,503,516,116
Balance as at 1 January 2020		1,598,408,360	819,968,299	11,905,000	73,233,529	928	2,503,516,116
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard	4	-	-	-	(399,992)	(928)	(400,920)
Balance as at 1 January 2020 - as restated		1,598,408,360	819,968,299	11,905,000	72,833,537	-	2,503,115,196
Profit for the year		-	-	-	169,490,080	-	169,490,080
Other comprehensive income for the year		-	-	-	(772,112)	-	(772,112)
Total comprehensive income for the year		-	-	-	168,717,968	-	168,717,968
Appropriated - statutory reserve	26	-	-	8,475,000	(8,475,000)	-	-
Dividend paid	34	-	-	-	(31,968,167)	-	(31,968,167)
Balance as at 31 December 2020		1,598,408,360	819,968,299	20,380,000	201,108,338	-	2,639,864,997
		-	-	-	-	-	-
		-	-	-	-	-	-

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

Veranda Resort Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before income tax revenue (expenses)	25,566,046	96,353,315	207,139,622	63,627,671
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	245,990,791	217,651,344	58,852,218	50,310,344
Bad debt and doubtful accounts	1,405,275	299,645	1,092,477	311,405
Allowance for diminution in value of property development cost (reversal)	1,734,320	(2,289,068)	-	(2,289,068)
Loss on diminution in value of inventories (reversal)	(17,605)	17,605	-	-
Write-off withholding tax deducted at source	5,643,730	967,604	4,486,756	-
Transfer of deferred income to revenue	(7,805,320)	(7,805,320)	-	-
Temporary difference from rental income	59,509	220,029	(8,366)	12,000
Temporary difference from operating lease	(193,377)	2,656,019	-	1,432,213
Temporary difference from service agreements	5,480	20,648	-	-
Difference from rental reduction	97,659	-	114,334	-
Loss (gain) on sales of assets	17,954	(771,644)	19,029	(410,204)
Loss on write-off assets	2,707,191	1,885,332	269,019	621,714
Loss (gain) on sales of investment unit	793,377	(2,376,049)	793,376	(2,368,401)
Loss (gain) on change in fair value of investment unit	1,321,925	(423,774)	1,322,694	(423,774)
Rental expense from amortise guarantee deposits	185,768	-	101,735	-
Rental income from amortise guarantee deposits	(162,817)	-	-	-
Transfer of property development cost to cost of sales	863,022,562	273,830,151	785,026,919	29,078,612
Long-term employee benefits expense	2,444,863	3,568,818	614,548	1,916,011
Provision on loss from litigation	4,904,752	-	4,904,752	-
Interest income	(601,477)	(369,319)	(17,298,728)	(20,887,810)
Dividend income	-	-	-	(77,974,179)
Finance cost	80,602,533	69,708,935	37,573,242	20,418,704
Profit from operating activities before changes in operating assets and liabilities	1,227,723,139	653,144,271	1,085,003,627	63,375,238
Decrease (increase) in operating assets				
Trade and other receivables	21,098,959	6,302,147	(196,861)	2,138,329
Inventories	(795,182)	(99,241)	(1,377,697)	(50,585)
Property development cost	(392,485,543)	(693,788,229)	(393,066,293)	(692,374,138)
Advance payment for construction	57,938,119	48,957,786	56,394,152	39,878,873
Cost to obtain contracts with customers	21,448,355	61,055	19,592,529	(4,128,855)
Other current assets	6,159,705	6,065,828	(1,344,819)	(7,896,562)
Other non-current financial assets	(620,645)	-	-	-
Other non-current assets	4,630,913	(1,594,425)	3,963,718	(7,255,968)
Increase (decrease) in operating liabilities				
Trade and other payables	(119,664,470)	(50,469,668)	(58,215,932)	94,765,402
Advance received from customers	(259,929,097)	124,078,075	(227,564,608)	179,200,499
Other current liabilities	(30,580,945)	17,741,791	(4,755,770)	(2,971,903)
Cash paid for long-term employee benefits	(1,072,768)	-	(652,400)	-
Other non-current liabilities	(3,173,717)	(15,739,496)	(3,331,123)	382,500
Cash flows from (used in) operating activities	530,676,823	94,659,894	474,448,523	(334,937,170)

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

Veranda Resort Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash paid for interest expenses	(96,867,842)	(100,734,033)	(53,998,572)	(53,113,233)
Cash received from withholding tax deducted at source	2,503,531	1,002,392	1,864,156	-
Cash paid for income tax	(17,153,853)	(26,312,294)	(12,668,256)	(1,860,456)
Net cash flows from (used in) operating activities	419,158,659	(31,384,041)	409,645,851	(389,910,859)
Cash flows from investing activities				
Increase in restricted deposit at financial institution	-	(1,441)	-	(550)
Cash paid for long-term loans to subsidiaries	-	-	(152,060,000)	(393,711,565)
Cash received from repayment of long-term loans to subsidiaries	-	-	609,012,777	224,155,167
Proceeds from sales of investment unit	330,617,622	402,616,280	330,617,622	402,467,008
Cash received from distribution to unitholders of the fund	58,048,270	-	58,048,270	-
Cash paid for acquisition of investment unit	(331,000,000)	(524,047,100)	(331,000,000)	(524,047,100)
Cash paid for acquisition of investment in subsidiaries	-	(17,700,145)	(446,209,388)	(30,484,411)
Cash paid for share subscription of subsidiaries	-	-	-	(44,000,000)
Cash received from interest income	421,848	369,319	19,881,763	32,859,249
Dividend received	-	-	-	77,974,179
Cash paid for acquisition of property, plant and equipment	(630,541,111)	(154,384,952)	(578,444,699)	(112,664,465)
Cash paid for acquisition of right-of-use assets	(360,000)	-	-	-
Cash paid for acquisition of intangible assets	(1,418,483)	(3,151,690)	(970,450)	(315,925)
Proceeds from sales of property and equipment	55,399	832,560	1,052,112	534,599
Net cash flows used in investing activities	(574,176,455)	(295,467,169)	(490,071,993)	(367,233,814)
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loans from financial institutions	488,880,189	(76,200,757)	451,886,110	(67,650,542)
Repayment of short-term loan from unrelated party	-	(10,000,000)	-	-
Cash received from loans from subsidiaries	-	-	13,000,000	25,800,000
Repayment of loans from subsidiary	-	-	(3,500,000)	(29,650,000)
Cash received from long-term loans from financial institutions	399,166,435	370,000,000	323,785,000	370,000,000
Repayment of long-term loans from financial institutions	(701,521,274)	(491,540,000)	(670,501,554)	(135,540,000)
Repayment of long-term loan from unrelated parties	-	(72,231,588)	-	-
Cash paid for financial service fee	(270,000)	-	-	-
Repayment of lease liabilities	(17,659,777)	(1,766,362)	(8,707,253)	(1,075,851)
Cash received from increase in ordinary shares	-	750,000,000	-	750,000,000
Cash paid for additional ordinary shares expenses	-	(19,936,328)	-	(19,936,328)
Dividend paid	(31,968,167)	(101,542,894)	(31,968,167)	(101,542,894)
Net cash flows from financing activities	136,627,406	346,782,071	73,994,136	790,404,385
Net increase (decrease) in cash and cash equivalents	(18,390,390)	19,930,861	(6,432,006)	33,259,712
Cash and cash equivalents at beginning of year	88,222,720	68,291,859	54,671,479	21,411,767
Cash and cash equivalents at end of year (Note 8)	69,832,330	88,222,720	48,239,473	54,671,479
	-	-	-	-

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

Veranda Resort Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Supplemental cash flows information				
Non-cash items				
Increase in other payables from purchase of assets	12,107,809	12,191,139	10,564,693	11,936,128
Unpaid lease liabilities	21,317,115	1,550,703	1,612,156	675,703
Finance cost recorded as property, plant and equipment	6,645,524	2,273,548	6,322,203	2,273,548
Finance cost recorded as property development cost	10,585,167	27,379,118	10,585,167	27,379,118
Transfer property development cost to property, plant and equipment	23,106,598	10,657,774	22,742,389	6,596,340
Transfer right-of-use assets to property, plant and equipment	364,516	-	-	-
Increase (decrease) on change in fair value of investment unit	-	(4,564)	-	225

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

Veranda Resort Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

1. General information

1.1 The Company's information

Veranda Resort Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the hotel business and property development. The registered office of the Company is at 555 Rasa Tower, Unit 2701 - 2704, 27th Floor, Phaholyothin Road, Chatuchak, Bangkok. There are 3 branches; the first branch located at 737/12 Mung Talay Road, Cha-Am, Petchaburi Province, the second branch located at 192 Moo 2, Ban Pong, Hang Dong, Chiang Mai Province, and the third branch located at 122/211 Nong Kae, Hua Hin, Prachuap Khiri Khan Province.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic currently affects the Group's business activities in relation to hotel business. These situations may impact the Group's financial position, operating results and cash flows 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. The Group's management has used estimates and exercise 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 Veranda Resort Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			(%)	(%)
Huahin Pool Suite Co., Ltd.	Hotel operations	Thailand	99.99	99.99
Oak Tree Co., Ltd.	Hotel operations	Thailand	99.99	99.99
Oak Tree Realty Co., Ltd.	Rental properties and human resource outsourcing service	Thailand	99.99	99.99
Veranda Cuisine Co., Ltd.	Food and beverage sales	Thailand	99.99	99.99
The isa Resort Co., Ltd.	Hotel operations	Thailand	99.99	99.99
Veranda Beach Pattaya Co., Ltd.	Hotel operations and Property development	Thailand	99.99	99.99
PDS Holding Co., Ltd. (being subsidiary on 21 November 2019)	Food and beverage sales	Thailand	99.99	99.99

- b) The Company is deemed to have control over an investee or the 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 significantly affect the amount of its returns.
- c) The 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.
- e) Material balances and transactions between the Group and investments in subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company 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 present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does

not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

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

- Classification and measurement of investments in available-for-sale in debt securities - The Group classify these investments as financial assets at fair value through profit or loss.
- 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 the simplified approach to consider impairment of trade receivables.

The Group recognised the cumulative effect from the first-time adoption of these financial reporting standards as an adjusting to the 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 the 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 from the first-time adoption of this financial reporting standards as an adjusting to the 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 the financial statements.

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

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the 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.

During the period from the first quarter to the third quarter of 2020, the Group had elected to apply the temporary relief measures on accounting alternatives regarding the measurement of expected credit losses using a simplified approach, the fair value measurement of financial assets in the form of debt instruments, not to account for any reduction in lease payments by lessors resulting as a lease modification, reversal of deferred tax assets, impairment of assets and goodwill.

In the fourth quarter of 2020, the Group has assessed some of the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets and liabilities. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, fair value measurement of debt instruments, reversal of deferred tax assets, impairment of assets and goodwill. This has no significant impact on the Group's financial statements.

However, the Group has elected to apply the temporary relief measures on accounting alternatives relating to 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.

The Group is evaluating the impact on the financial statements and will consider recording the impact on the financial statements after the expiration of the relief measures.

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

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

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

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

As described in Note 3 to the 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 is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

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

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments	124,533	(124,533)	-	-
Other current financial assets	-	124,533	-	124,533
Non-current assets				
Property, plant and equipment	3,177,700	-	(5,098)	3,172,602
Right-of-use assets	-	-	227,929	227,929
Leasehold rights	89,383	-	(89,383)	-
Deferred tax assets	41,736	-	1,956	43,692
Other non-current financial assets	-	4,223	-	4,223
Other non-current assets	26,803	(4,226)	-	22,577
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	1,989	-	19,647	21,636

(Unit: Thousand Baht)

Consolidated financial statements				
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Non-current liabilities				
Rental deposits	3,669	(3,669)	-	-
Lease liabilities, net of current portion	1,802	-	141,015	142,817
Other non-current financial liabilities	-	3,584	-	3,584
Other non-current liabilities	35,336	-	(17,337)	17,999
Shareholders' equity				
Retained earnings - unappropriated	250,548	88	(7,921)	242,715
Other components of shareholders' equity	6	(6)	-	-

(Unit: Thousand Baht)

Separate financial statements				
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	124,386	(124,386)	-	-
Other current financial assets	-	124,386	-	124,386
Non-current assets				
Property, plant and equipment	764,065	-	(2,868)	761,197
Right-of-use assets	-	-	50,644	50,644
Deferred tax assets	24,435	-	100	24,535
Other non-current financial assets	-	2,415	-	2,415
Other non-current assets	17,042	(2,417)	-	14,625
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	1,362	-	7,665	9,027

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
Non-current liabilities				
Lease liabilities, net of current portion	1,169	-	42,042	43,211
Other non-current liabilities	10,082	-	(1,432)	8,650
Shareholders' equity				
Retained earnings - unappropriated	73,233	(1)	(399)	72,833
Other components of shareholders' equity	1	(1)	-	-

4.1 Financial instruments

Details of the impact on retained earnings and other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	Retained earnings	Other components of shareholders' equity	Retained earnings	Other components of shareholders' equity
Recognition of financial assets at fair value through profit or loss	(3)	-	(2)	-
Recognition of financial liabilities at fair value through profit or loss	85	-	-	-
Classification of investments in available-for-sale to financial assets at fair value through profit or loss	6	(6)	1	(1)
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	88	(6)	(1)	(1)

As at 1 January 2020, classifications and measurement of financial assets and financial liabilities in accordance with TFRS 9, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value		Total
		through profit or loss	Amortised cost	
Financial assets as at 1 January 2020				
Cash and cash equivalents	88,223	-	88,223	88,223
Trade and other receivables	55,060	-	55,060	55,060
Other current financial assets	124,533	124,533	-	124,533
Restricted deposit at financial institutions	263	-	263	263
Other non-current financial assets	4,226	-	4,223	4,223
Total financial assets	272,305	124,533	147,769	272,302
Financial liabilities as at 1 January 2020				
Bank overdrafts and short-term loans from financial institutions	324	-	324	324
Trade and other payables	369,320	-	369,320	369,320
Long-term loans from financial institutions	2,216,956	-	2,216,956	2,216,956
Lease liabilities	3,791	-	3,791	3,791
Other non-current financial liabilities	3,669	-	3,584	3,584
Total financial liabilities	2,594,060	-	2,593,975	2,593,975

(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	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	54,672	-	54,672	54,672
Trade and other receivables	21,742	-	21,742	21,742
Other current financial assets	124,386	124,386	-	124,386
Restricted deposit at financial institution	62	-	62	62
Long-term loans to subsidiaries	537,703	-	537,703	537,703
Other non-current financial assets	2,417	-	2,415	2,415
Total financial assets	740,982	124,386	616,594	740,980
Financial liabilities as at 1 January 2020				
Bank overdrafts and short-term loans from financial institutions	318	-	318	318
Trade and other payables	234,141	-	234,141	234,141
Long-term loans from financial institutions	1,281,156	-	1,281,156	1,281,156
Lease liabilities	2,531	-	2,531	2,531
Total financial liabilities	1,518,146	-	1,518,146	1,518,146

4.2 Leases

On adoption of TFRS 16 the Group recognised lease liabilities in relation to leases that previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	207,746	26,813
Less: Short-term leases and leases of low-value assets	(8,363)	(504)
Add: Option to extend or terminate lease term and purchase option	34,271	30,452
Less: Contracts reassessed as service agreements	(10,956)	(529)
Less: Deferred interest expenses	(62,036)	(6,525)
Increase in lease liabilities due to TFRS 16 adoption	160,662	49,707
Liabilities under finance lease agreements as at 31 December 2019	3,791	2,531
Lease liabilities as at 1 January 2020	164,453	52,238
Weighted average incremental borrowing rate (<i>percent per annum</i>)	4.35	3.72
Comprise of:		
Current lease liabilities	21,636	9,027
Non-current lease liabilities	142,817	43,211
	164,453	52,238

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Land and land improvements	68,631	-
Buildings and premises	64,508	47,776
Equipment	506	198
Motor vehicles	4,901	2,670
Total right-of-use assets	138,546	50,644

5. Significant accounting policies

5.1 Revenue and expense recognition

(a) Revenue from hotel operations

Revenue from hotel operations mainly comprises room sales, food and beverage sales and revenue from other related services. Revenue is recognised at a point in time when services have been rendered or

goods has been transferred. Sales are the invoiced value, excluding value added tax and after deducting discounts.

(b) Revenue from sales of real estate

Revenue from sales of land and houses and residential condominium units are recognised at the point in time when control of the real estate is transferred to the customer, generally upon transfer of the legal. 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.

(c) Revenue from sale of food and beverage

Sales from restaurant operations are recognised when the significant risks and rewards of ownership of goods have passed to the buyer. Sales from restaurant operations represent the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts.

(d) Management service fee

Management service fee is recognised at a point in time upon completion of the service. Management service fee is the invoiced value, excluding value added tax, of rendered services.

(e) Interest income

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

(f) Finance cost

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

(g) Dividends income

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

5.2 Cost of sales of real estate

Cost of land and houses sold and cost of residential condominium units sold consist of cost of land, land improvement, design fees, public utilities, construction, direct related interest and other related cost.

In determining the cost of 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 sold and residential condominium units sold recognised in profit and loss on the basis of the salable area.

Selling expenses directly associated with projects, such as specific business tax and transfer fee are recognised when sale incurred.

5.3 Cash and cash equivalents

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

5.4 Investments in subsidiaries

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

5.5 Inventories

Inventories are valued at the lower of cost under the weighted average method and net realisable value.

5.6 Property development cost

Land and construction in progress are stated at the lower of cost or net realisable value. The calculation of cost value is summarised below.

Land	-	Cost of land is recognised under weighted average method, separating by project.
Property under construction	-	Property under construction consists of construction cost, utilities and directly related interest cost. The construction cost and utilities recognised on the incurred actual costs.

The Group recognised losses on diminution in value of project (if any) in profit or loss.

5.7 Costs to obtain contracts with customers

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

5.8 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).

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

5.9 Property, plant and equipment/Depreciation

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

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

Land improvement and exterior design work	5 - 20 years
Building and building improvements	5 - 40 years
Tools and equipment	5 -20 years
Furniture and fixtures	5 -20 years
Motor vehicles	5 and 10 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation/construction.

The Group derecognised an item of property, plant and equipment 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 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.

5.11 Intangible assets and amortisation

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the 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 the straight-line 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 each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 and 10 years
Trademarks	25 years
Franchises	3 - 20 years

5.12 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.

5.13 Related party transactions

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

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

5.14 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 (the date of 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 and land improvement	2 - 32	years
Buildings and premises	3 - 9	years
Equipment	2 - 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.

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 and 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 useful life of the asset.

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

Leasehold rights are stated at cost less any accumulated amortisation and allowance for diminution in value (if any). Leasehold rights are amortised as expenses in the income statements on a straight-line basis over the lease term.

The Group as a lessor

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

5.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

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.

5.16 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, 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 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.

5.17 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 employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments they 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 by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

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

5.18 Provisions

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

5.19 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.20 Financial instruments

Accounting policies adopted since 1 January 2020

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets 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 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.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

For 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) Investment in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) 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.

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.

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

5.21 Fair value measurement

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

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

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

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

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

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

6. Significant accounting judgements and estimates

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

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

Determination of transaction price

In determining transaction price, the management is required to use judgement in estimating the variable consideration. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold. The Group include any amount of variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

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

The Group recognises deferred tax assets 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.

Allowance for diminution in value of property development cost for sale

The Group considers the reduction of property development cost for sale. When found that the fair value is significant decrease. Management considers adjusted value of property development cost for sale to be recoverable amount. However, the significant and reduction value is depend on discretion of the management.

Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

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

Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses of trade receivables

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

Costs to obtain contracts

The recognition of costs incurred to obtain a contract as an asset requires management to use judgement regarding whether such costs are the incremental costs of obtaining a contract with a customer as well as what amortisation method should be used.

Property plant and equipment/ Investment property/ Right-of-use assets/Depreciation

In determining depreciation of plant and equipment and right-of-use assets, 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, investment properties and right-of-use assets for impairment on a periodical basis and record impairment losses when it is determined that their 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.

Post-employment benefits under defined benefit plan

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 Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and provision for the related liabilities which the management deem to be an appropriate amount has been recorded as at the end of reporting period. However, actual results could differ from the estimates.

7. Related party transactions

During the year, relationships between the Group and related parties are as follow:

Name	Relationship
Huahin Pool Suite Company Limited	Subsidiary
Oak Tree Company Limited	Subsidiary
Oak Tree Realty Company Limited	Subsidiary
The isa Resort Company Limited	Subsidiary
Veranda Cuisine Company Limited	Subsidiary
Veranda Beach Pattaya Company Limited	Subsidiary
PDS Holding Company Limited ⁽¹⁾	Subsidiary
VBK Consultant Company Limited	Common shareholders and directors
VC Land Company Limited	Common shareholders and directors
988 Plus Company Limited	Common shareholders and directors
Audio Engineering Service Company Limited	Common shareholders and directors
Major Cineplex Group Public Company Limited	Common shareholders and directors
MFEC Public Company Limited	Common shareholders and directors
Panjaluck Pasuk Company Limited ⁽²⁾	Common shareholders and directors
Sureetriboon Holding Company Limited	Common shareholders and directors
Vichai Trading (1983) Company Limited	Common shareholders and directors
Siam Future Development Public Company Limited	Common directors

Name	Relationship
HANGJEW HOLDING PTE. LTD.	Common directors
Related person	Director, executive officer and related person with director and executive officer

⁽¹⁾ Being subsidiary on 21 November 2019

⁽²⁾ Panjaluck Pasuk Company Limited was the Company's related company until 30 June 2019 (because the directors of the Company submitted the resignation letter from director position of that Company)

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarise below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	Transfer Pricing Policy
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Management service fee	-	-	14.8	22.0	Contract price
Interest income	-	-	16.8	20.7	2.10% - 4.85% per annum (2019: 4.50% - 6.50% per annum)
Dividend income	-	-	-	78.0	As declared
Other income	-	-	8.2	16.3	Agreed upon basis
Cost of hotel operations	-	-	0.4	-	Agreed upon basis
Selling expenses	-	-	3.2	-	Agreed upon basis
Administrative expense	-	-	2.5	0.2	Contract price and agreed upon basis
Finance costs	-	-	0.1	0.1	3.75% - 3.90% per annum (2019: 5.25% per annum)
<u>Transactions with related companies</u>					
Revenue from hotel operations	-	1.1	-	0.5	Agreed upon basis
Revenue from sales of real estate	-	8.3	-	8.3	Contract price
Cost of management service	-	0.1	-	0.1	Contract price
Cost of sales of real estate	0.2	-	0.2	-	Contract price
Cost of sales of food and beverage	1.9	1.5	-	-	Agreed upon basis

(Unit: Million Baht)

	Consolidated		Separate		
	financial		financial		
	statements		statements		
	2020	2019	2020	2019	Transfer Pricing Policy
Administrative expenses	0.8	2.8	-	2.7	Contract price
Purchase of assets	2.2	1.3	-	-	Agreed upon basis
<u>Transaction with related persons</u>					
Revenue from hotel operations	-	0.1	-	0.1	Agreed upon basis
Revenue from sales of real estate	23.6	-	23.6	-	Contract price
Cost of management service	-	0.8	-	0.2	Contract price

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Trade and other receivables - related parties (Note 10)</u>				
Subsidiaries	-	-	3,473	8,344
Related company	37	-	-	-
Related person	37	-	29	-
Total trade and other receivables - related parties	74	-	3,502	8,344
<u>Other current financial assets - related party</u>				
Related company	30	-	-	-
Total other current financial assets - related party	30	-	-	-
<u>Other current assets - related parties</u>				
Related companies	386	706	-	175
Total other current assets - related parties	386	706	-	175
<u>Other non-current financial assets - related party</u>				
Related company	437	-	-	-
Total other non-current financial assets - related party	437	-	-	-
<u>Other non-current assets - related party</u>				
Related company	13	384	-	-
Total other non-current assets - related party	13	384	-	-
<u>Trade and other payables - related parties (Note 21)</u>				

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Subsidiaries	-	-	3,856	6,025
Directors of the Group	1,167	2,222	1,101	1,922
Related companies	700	131	437	90
Related person	504	791	39	176
Total trade and other payables - related parties	2,371	3,144	5,433	8,213
<u>Advance received from customers - related parties</u>				
Related person	6,371	16,959	6,371	16,959
Total advance received from customers - related parties	6,371	16,959	6,371	16,959
<u>Other current liabilities - related party</u>				
Related company	70	-	-	-
Total other current liabilities - related party	70	-	-	-
<u>Other non-current liabilities - related party</u>				
Related company	175	-	-	-
Total other non-current liabilities - related party	175	-	-	-

Long-term loans to subsidiaries

Long-term loans to subsidiaries are unsecured loans, which bear interests 3.90 percent per annum and due at call. However, the Company reclassified this loan as long-term loans since the Company has no intention to call for a repayment of such loans from the subsidiaries within 12 months after the end of the reporting period.

As at 31 December 2020 and 2019, the balance of long-term loans to subsidiaries and the movement are as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
Loans to subsidiaries	1 January 2020	during the year	during the year	31 December 2020
Huahin Pool Suite Company Limited	11,450	2,200	(8,150)	5,500
Oak Tree Realty Company Limited	17,000	-	(950)	16,050
The isa Resort Company Limited	63,000	13,050	(76,050)	-
Veranda Cuisine Company Limited	19,500	200	(19,700)	-

Veranda Beach Pattaya Company

Limited	147,300	35,700	(153,800)	29,200
Oak Tree Company Limited	192,700	95,910	(258,610)	30,000
PDS Holding Company Limited	86,753	5,000	(91,753)	-
Total loans to subsidiaries	<u>537,703</u>	<u>152,060</u>	<u>(609,013)</u>	<u>80,750</u>

Short-term loans from subsidiaries

Short-term loans from subsidiaries are unsecured loans, which bear interests between 3.75 and 3.90 percent per annum and due at call.

As at 31 December 2020 and 2019, the balance of short-term loans from subsidiaries and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 1 January 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Loans from subsidiaries				
The isa Resort Company Limited	-	12,000	(3,500)	8,500
Veranda Cuisine Company Limited	-	1,000	-	1,000
Total loans from subsidiaries	<u>-</u>	<u>13,000</u>	<u>(3,500)</u>	<u>9,500</u>

Directors and management's benefits

During the year ended 31 December 2020 and 2019, the Group had employee benefit expenses to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	18,528	23,904	17,227	22,014
Post-employment benefits	498	952	451	875
Total	<u>19,026</u>	<u>24,856</u>	<u>17,678</u>	<u>22,889</u>

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash	1,980	2,839	769	1,052
Bank deposits	67,852	85,384	47,470	53,619
Total	69,832	88,223	48,239	54,671

As at 31 December 2020, bank deposits in saving accounts carried interests between 0.05 percent and 1.10 percent per annum (2019: between 0.10 percent and 1.20 percent per annum).

9. Current investments/Other current financial assets/Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Other current financial assets				
<u>Fair value of investment measured through profit or loss</u>				
Investment unit	64,751 ¹⁾	124,533	64,604 ¹⁾	124,386
Total other current financial assets				
(2019: Current investments)	64,751	124,533	64,604	124,386
Other non-current financial assets				
<u>Financial assets measured at amortised cost</u>				
Rental deposit	4,839	-	2,412	-
Total other non-current financial assets	4,839	-	2,412	-

¹⁾ Included investments in debt securities fund that the fund management company announced the termination of the fund amounting to Baht 4.68 million, of which fair value is derived from Net Asset Value announced at the termination date less cash received from the Asset Management Company.

10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Not yet due	15	-	-	-
Past due				
Up to 3 months	4	-	9	4
Total trade accounts receivable - related parties	19	-	9	4
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	11,404	28,736	4,242	6,285
Past due				
Up to 3 months	4,529	12,360	236	1,179
3 - 6 months	50	238	12	125
6 - 12 months	1,923	41	1,288	39
Over 12 months	225	190	14	108
Total	18,131	41,565	5,792	7,736
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful debts)	(839)	(101)	(556)	(71)
Total trade accounts receivable - unrelated parties, net	17,292	41,464	5,236	7,665
Total trade accounts receivable - net	17,311	41,464	5,245	7,669
<u>Other receivables</u>				
Interest receivable - related parties	-	-	1,286	3,968
Accrued income - related parties	-	-	111	72
Accrued income - unrelated parties	23	2,219	23	2,219
Other receivables - related parties	55	-	2,096	4,300
Other receivables - unrelated parties	15,167	11,377	9,412	3,514
Total other receivables	15,245	13,596	12,928	14,073
Total trade and other receivables - net	32,556	55,060	18,173	21,742

11. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2020	2019	2020	2019	2020	2019
Food and beverages	13,314	13,066	-	(18)	13,314	13,048
Finished goods and supplies	9,542	8,995	-	-	9,542	8,995
Total	22,856	22,061	-	(18)	22,856	22,043

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2020	2019	2020	2019	2020	2019
Food and beverages	3,131	2,363	-	-	3,131	2,363
Finished goods and supplies	2,000	1,390	-	-	2,000	1,390
Total	5,131	3,753	-	-	5,131	3,753

12. Property development cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Land	320,558	421,583	319,066	415,197
Building	676,102	171,637	650,899	75,192
Property under construction	5,105	857,188	5,105	857,188
Cost of borrowing	56,600	95,298	55,748	91,640
Total	1,058,365	1,545,706	1,030,818	1,439,217
Less: Allowance for diminution in value of property development cost	(6,108)	(8,656)	(4,374)	(8,656)
Property development cost - net	1,052,257	1,537,050	1,026,444	1,430,561

The Group has mortgaged the property development cost amounting to Baht 1,014 million (2019: Baht 1,464 million) (the Company only: Baht 988 million, 2019: Baht 1,357 million) to secure credit facilities received from financial institutions.

Some of the property development cost has been financed with a loans from a financial institutions. The Company has borrowing costs amounting to Baht 11 million which were capitalised during the year ended 31 December 2020 (2019: Baht 27 million). The weighted average rate of 2.29 percent has been used to determine the amount of borrowing costs eligible for capitalisation (2019: 4.45 percent).

Movements in the allowance for loss on diminution in value of property development cost during the year ended 31 December 2020 and 2019 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Balance as at beginning of year	8,656	11,731	8,656	11,731
Increase during the year	1,734	-	-	-
Transferred to property, plant and equipment	(4,282)	(786)	(4,282)	(786)
Reversal as a result of sales recognition during the year	-	(2,289)	-	(2,289)
Balance as at end of year	6,108	8,656	4,374	8,656

During the year 2020, the Group transferred property development cost with a net book value of Baht 23.1 million (the Company only: Baht 22.7 million) to property, plant and equipment due to the change in purpose of use.

13. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial		Separate	
	statements		financial statements	
	2020	2019	2020	2019
Withholding tax deducted at source	-	309	-	-
Refundable VAT	20,786	27,067	7,696	6,923
Others	5,949	5,828	1,930	1,358
Total	26,735	33,204	9,626	8,281

14. Investments in subsidiaries

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend income	
	2020	2019	2020	2019	2020	2019	2020	2019
	(Thousanc Baht)	(Thousanc Baht)	(%)	(%)	(Thousanc Baht)	(Thousanc Baht)	(Thousanc Baht)	(Thousanc Baht)
Huahin Pool Suite Company Limited ("HHP")	50,000	50,000	99.99	99.99	49,999	49,999	-	2,200
Oak Tree Company Limited ("OKT")	850,00	600,00	99.99	99.99	1,069,4	819,43	-	-
	0	0			30	0	-	-
Oak Tree Realty Company Limited ("OTR")	5,000	5,000	99.99	99.99	6,944	6,944	-	860
Veranda Cuisine Company Limited ("VCS")	20,000	5,000	99.99	99.99	20,000	5,000	-	-
The isa Resort Company Limited ("ISA")	100,00	14,000	99.99	99.99	377,43	291,43	-	5,314
	0				8	8	-	
Veranda Beach Pattaya Company Limited ("VBP")	300,00	300,00	99.99	99.99	282,64	282,64	-	69,600
	0	0			2	2	-	
PDS Holding Company Limited ("PDS")	120,00	20,297	99.99	99.99	137,49			
	0				4	42,284	-	-
Total Investments in subsidiaries					1,943,9	1,497,7		
					47	37	-	77,974
Less : Allowance for impairment of investments					(14,668)	(14,668)		
Total Investments in subsidiaries - net					1,929,2	1,483,0		
					79	69		

On 17 September 2019, a meeting of the Company's Board of Director approved to invest in share of PDS Holding Company Limited ("PDS") totaling 202,966 shares (equivalent to 99.99 percent of the total issued share capital of PDS), at the value of Baht 42.3 million including the transaction cost amounting to Baht 1.1 million. The Company and the sellers have entered into the Share Purchase Agreement on 21 November 2019.

Under the Share Purchase Agreement, the Company agreed to pay a total of Baht 106.9 million to the seller. The amount consists of the share price of Baht 30.2 million and the assignment of claims on outstanding liabilities of PDS amounted of Baht 76.7 million. Moreover, under the agreement, the Company has a special agreement that expect to pay consideration of Baht 11 million to one of the sellers, the Director of PDS at present, when the seller has complied with the terms of the Share Purchase Agreement.

PDS's financial statement was included in the Company's financial statement since the date that the Company has the controlling rights of PDS as the following details:

	(Unit: Thousand Baht)
Cash paid for purchase of investment in subsidiary	30,184
Contingent consideration liability	6,507
Total purchase consideration transferred	36,691
Less: Fair value of net assets	(18,071)
Goodwill	18,620
	(Unit: Thousand Baht)
Cash paid for acquisition of investment in the subsidiary	30,184
Cash paid in purchase consideration transferred-in in 2019	1,000
Less: Cash and cash equivalents of the subsidiary	(13,484)
Total cash paid for purchase of investment in subsidiary	17,700

Details of net book value of identifiable net assets and liabilities of PDS Holding Company Limited as of the acquisition date are as follows:

	(Unit: Thousand Baht)	
Assets	Fair Value	Book Value
Cash and cash equivalents	13,484	13,484
Trade and other receivables	7,172	7,172
Inventories	4,998	4,998
Other current assets	893	893
Restricted deposit at financial institution	200	200
Building and equipment	22,450	22,450
Intangible assets	84,966	17,873
Deferred tax assets	9,296	9,296
Other non-current assets	5,690	5,690
Total assets	149,149	82,056
Liabilities		
Trade and other payables	29,113	29,113
Short-term loan from related company	10,000	10,000
Lease liabilities	148	148
Advance received from customers	3,243	3,243
Other current liabilities	1,175	1,175
Long-term loan from related parties	72,232	72,232
Provision for long-term employee benefits	492	492

Deferred tax liabilities	13,419	-
Other non-current liabilities	1,256	1,256
Total liabilities	131,078	117,659
Net book value	18,071	(35,603)

(Unit: Thousand Baht)

Equity of the Company (%)	99.99
Net asset value attributable to the Company's investment	18,071
Purchase consideration transferred	36,691
Goodwill	18,620

Increase of share capital of subsidiaries

During the year 2020, the Board of Directors ("BOD") meeting of the Company passed a resolution to approve to invest in new ordinary share capital of the subsidiaries as detailed below:

Company's name	Date of the BOD meeting of the Company passed a resolution to approve to invest in new ordinary share		Date of approval the share capital increase by the Extraordinary General Meeting of subsidiaries	Date of registration of increase of share capital at the Ministry of Commerce	Par value (Baht per share)	Paid up share capital (Thousand Baht)		
						Old	Increase	New
VCS	16 July 2020	4 August 2020	4 August 2020	5 August 2020	100	5,000	15,000	20,000
ISA	16 July 2020	4 August 2020	4 August 2020	7 August 2020	1,000	14,000	68,800	82,800
				16 November 2020	1,000	82,800	17,200	100,000
PDS	16 July 2020	4 August 2020	4 August 2020	7 August 2020	100	20,297	99,703	120,000
OKT	16 October 2020	12 November 2020	12 November 2020	25 November 2020	100	600,00 0	250,000	850,000

The Company made the full payment for share subscription of such subsidiary's companies.

15. Investment property

(Unit: Thousand Baht)

	Consolidated/ separate financial statements	
	2020	2019
Land	12,500	12,500

Fair value of land as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated/ separate financial statements	
	2020	2019
Land	12,500	12,500

Fair value was determined by the independent professional appraiser using the market approach.

As at 31 December 2020 and 2019, the Group has pledged the investment property amounting to Baht 12.5 million as collateral against credit facilities received from financial institutions.

16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	<div>Land</div> <div>improvements and exterior design work</div> <div>Buildings and building improvements</div> <div>Tools and equipment</div> <div>Furniture and fixtures</div> <div>Motor vehicles</div> <div>Assets under construction</div>							Total
Cost	Land	design work	improvements	equipment	and fixtures	vehicles		
1 January 2019	748,800	95,398	2,586,147	223,552	886,952	30,723	36,481	4,608,053
Increase from purchase of investment	-	-	11,415	9,132	1,637	266	-	22,450
Additions	25,296	602	32,039	24,187	12,744	1,924	73,609	170,401
Disposals/write-off	-	-	(8,042)	(9,221)	(5,293)	(2,428)	(62)	(25,046)
Transfer in (out)	-	704	9,933	-	687	-	(11,324)	-
Transfer asset type	2,077	-	8,416	-	165	-	-	10,658
31 December 2019	776,173	96,704	2,639,908	247,650	896,892	30,485	98,704	4,786,516
Adjustments of right-of-use assets due to								
TFRS16 adoption	-	-	-	(201)	-	(11,589)	-	(11,790)
Additions	413,260	163	11,794	17,312	6,644	66	193,410	642,649
Disposals/write-off	-	-	(3,660)	(1,555)	(2,538)	-	-	(7,753)
Transferred from right-of use assets	-	-	-	-	-	365	-	365
Transfer in (out)	1,121	9,287	168,319	3,865	63,961	-	(246,553)	-
Capitalised interest	2,765	-	-	-	-	-	3,880	6,645
Transfer asset type	952	27	14,325	430	7,372	-	-	23,106

31 December 2020

1,194,271	106,181	2,830,686	267,501	972,331	19,327	49,441	5,439,738
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(Unit: Thousand Baht)

Consolidated financial statements

	Land	Land improvements and exterior design work	Buildings and building improvements	Tools and equipment	Furniture and fixtures	Motor vehicles	Assets under construction	Total
Accumulated depreciation:								
1 January 2019	-	24,869	839,371	149,905	386,981	21,726	-	1,422,852
Depreciation for the year	-	5,786	108,593	27,032	65,099	3,168	-	209,678
Depreciation on disposals/write-off	-	-	(7,921)	(8,166)	(5,199)	(2,428)	-	(23,714)
31 December 2019	-	30,655	940,043	168,771	446,881	22,466	-	1,608,816
Adjustments of right-of-use assets due to								
TFRS16 adoption	-	-	-	(3)	-	(6,689)	-	(6,692)
Depreciation for the year	-	5,868	107,499	31,488	66,426	1,190	-	212,471
Depreciation on disposals/write-off	-	-	(1,303)	(1,388)	(2,550)	-	-	(5,241)
31 December 2020	-	36,523	1,046,239	198,868	510,757	16,967	-	1,809,354
Net book value:								

(Unit: Thousand Baht)

Separate financial statements

	<div>Land</div> <div>improvements and exterior design work</div> <div>Buildings and building improvements</div> <div>Tools and equipment</div> <div>Furniture and fixtures</div> <div>Motor vehicles</div> <div>Assets under construction</div>							Total
Cost	Land	design work	improvements	equipment	and fixtures	vehicles		
1 January 2019	245,912	17,296	584,228	66,086	166,906	19,102	35,635	1,135,165
Additions	25,296	390	19,083	6,527	4,523	549	71,183	127,551
Disposals/write-off	-	-	(7,626)	(4,262)	(1,870)	(1,167)	-	(14,925)
Transfer in (out)	-	66	9,580	-	374	-	(10,020)	-
Transfer asset type	2,077	-	4,519	-	-	-	-	6,596
31 December 2019	273,285	17,752	609,784	68,351	169,933	18,484	96,798	1,254,387
Adjustments of right-of-use assets due to								
TFRS16 adoption	-	-	-	(201)	-	(7,109)	-	(7,310)
Additions	413,260	57	1,941	7,305	1,491	42	164,913	589,009
Disposals/write-off	(459)	-	(688)	(100)	(74)	-	-	(1,321)
Transfer in (out)	1,121	9,287	159,598	3,461	63,318	-	(236,785)	-
Capitalised interest	2,765	-	-	-	-	-	3,557	6,322
Transfer asset type	952	27	14,325	66	7,372	-	-	22,742
31 December 2020	690,924	27,123	784,960	78,882	242,040	11,417	28,483	1,863,829

(Unit: Thousand Baht)

Separate financial statements

	Land						Assets under construction	Total
	Land	improvements and exterior design work	Buildings and building improvements	Tools and equipment	Furniture and fixtures	Motor vehicles		
Accumulated depreciation:								
1 January 2019	-	10,393	290,484	46,773	93,852	13,885	-	455,387
Depreciation for the year	-	935	26,156	7,036	13,127	1,860	-	49,114
Depreciation on disposals/write-off	-	-	(7,498)	(3,698)	(1,816)	(1,167)	-	(14,179)
31 December 2019	-	11,328	309,142	50,111	105,163	14,578	-	490,322
Adjustments of right-of-use assets due to								
TFRS16 adoption	-	-	-	(3)	-	(4,439)	-	(4,442)
Depreciation for the year	-	1,049	25,707	7,206	14,520	464	-	48,946
Depreciation on disposals/write-off	-	-	(117)	(94)	(39)	-	-	(250)
31 December 2020	-	12,377	334,732	57,220	119,644	10,603	-	534,576

Net book value:

31 December 2019	273,285	6,424	300,642	18,240	64,770	3,906	96,798	764,065
31 December 2020	690,924	14,746	450,228	21,662	122,396	814	28,483	1,329,253

Depreciation for the year

2019 (Baht 38 million included in cost of hotel business, cost of sales of food and beverage and the balance in administrative expenses)	49,114
2020 (Baht 43 million included in cost of hotel business, cost of sales of food and beverage and the balance in administrative expenses)	48,946

The Group capitalised borrowing costs amounting to Baht 6.6 million during the year ended 31 December 2020 (2019: Baht 2.3 million) (the Company only: Baht 6.3 million, 2019: Baht 2.3 million). The weighted average rate of 3.67 percent (2019: 4.54 percent) (the Company only: 3.68 percent, 2019: 4.54 percent) has been used to determine the amount of borrowing costs eligible for capitalisation.

As at 31 December 2019, the Group had motor vehicles and equipment with net book value of Baht 5.4 million (the Company only: Baht 3.1 million) (2020: reclassify as described in Note 4) which were acquired under finance lease agreements.

As at 31 December 2020, the Group has certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 445 million (2019: Baht 386 million) (the Company only: Baht 249 million, 2019: Baht 240 million).

The Group has mortgaged their property, plant and equipment amounting to approximately Baht 2,885 million (2019: Baht 2,458 million) as collateral against credit facilities received from financial institutions (the Company only: Baht 972 million, 2019: Baht 456 million), as described in Notes 20 and 22 to the financial statements.

17. Leases

17.1 The Group as a lessee

The Group has lease contracts for various items of property, plant and equipment, and motor vehicles used in its operations. Land and building leases generally have lease terms between 2 - 32 years and motor vehicles leases have lease term 4 years.

a) Right-of-use assets/leasehold rights

Movement of right-of-use assets/leasehold rights for the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	Land and Land improvement s	Buildings and building improvement s	Equipment	Motor vehicles	Total
As at 31 December 2019	89,383	-	-	-	89,383
Adjustments of right-of-use assets due to TFRS 16 adoption	68,631	64,508	506	4,901	138,546
Additions	1,612	19,227	-	479	21,318
Transferred to property, plant and equipment	-	-	-	(365)	(365)

Difference from rental deduction	(439)	(5,343)	-	-	(5,782)
Depreciation for the year	(10,573)	(11,419)	(235)	(2,163)	(24,390)
As at 31 December 2020	148,614	66,973	271	2,852	218,710

(Unit: Thousand Baht)

	Separate financial statements				
	Land and	Buildings			
	Land	and building			
	improvement	improvement	Equipment	Motor	Total
	s	s		vehicles	
As at 31 December 2019	-	-	-	-	-
Adjustments of right-of-use assets due to TFRS 16 adoption	-	47,776	198	2,670	50,644
Additions	1,612	-	-	-	1,612
Difference from rental deduction	-	(1,265)	-	-	(1,265)
Depreciation for the year	(67)	(7,166)	(40)	(1,422)	(8,695)
As at 31 December 2020	1,545	39,345	158	1,248	42,296

- (1) A subsidiary entered into the land lease agreement with third party for the period of 32 years effective since 1 November 2009 until 31 October 2041. It had to pay for leasehold rights amounted Baht 128 million, and the rental payment was made by monthly basis, started from 1 November 2009 onwards.
- (2) A subsidiary entered into the land lease agreement with the related company, the land lease agreement is for the period of 3 years effective since 29 June 2018 until 28 June 2021. It had to pay for leasehold rights amounted Baht 1.8 million, and the rental payment was made by monthly basis, started from 29 June 2018 onwards.
- (3) As at 31 December 2020, a subsidiary has pledged leasehold rights with a net book value of Baht 84 million (2019: Baht 89 million) as collateral against credit facilities of bank overdrafts, short-term loans, long-term loans and bank guarantee received from commercial banks, as described in Notes 20, 22 and 33.5 to the financial statements.

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Lease payment				
(2019: finance lease liabilities)	220,778	4,087	48,590	2,698

Less: Deferred interest expenses	(58,712)	(296)	(4,598)	(167)
Total	162,066	3,791	43,992	2,531
Less: Portion due within one year	(22,351)	(1,989)	(9,603)	(1,362)
Lease liabilities - net of current portion	139,715	1,802	34,389	1,169

The Group has entered into the lease agreements in respect of land, commercial space, office building space, equipment and rental of motor vehicles for use in their operation. The terms of the agreements are generally between 2 - 32 years.

A maturity analysis of lease payments is disclosed in Note 36 to the financial statements 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	24,390	8,695
Interest expense on lease liabilities	6,938	1,826
Expense relating to short-term leases	4,053	68
Expense relating to leases of low-value assets	729	197
Expense relating to variable lease payments	5,609	-

The Group has lease contracts for building space that contains variable payments based on sales. The lease term is between 1 - 3 years.

d) Others

The Group had total cash outflows of leases for the year ended 31 December 2020 of Baht 35.7 million (the Company only: Baht 16.2 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 transactions additions to right-of-use assets and lease liabilities of Baht 21.3 million (the Company only: Baht 1.6 million).

18. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements	
	Computer software	Trademark	Franchise	Total	Computer software	Total
As at 31 December 2020:						
Cost	32,517	9,846	86,935	129,298	11,049	11,049
Less: Accumulated amortisation	(20,686)	(3,108)	(10,241)	(34,035)	(6,199)	(6,199)
Net book value	11,831	6,738	76,694	95,263	4,850	4,850
As at 31 December 2019:						
Cost	30,624	9,846	15,423	55,893	10,498	10,498
Less: Accumulated amortisation	(16,766)	(2,663)	(314)	(19,743)	(5,139)	(5,139)
Net book value	13,858	7,183	15,109	36,150	5,359	5,359

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	36,150	19,383	5,359	6,240
Acquisition during the year	1,418	3,152	971	316
Increase from acquisition of investment (Note 14)	67,093	17,873	-	-
Amortisation for the year	(9,129)	(3,642)	(1,211)	(1,196)
Disposals/Write-off during the year	(269)	(616)	(269)	(1)
Net book value at end of year	95,263	36,150	4,850	5,359

19. Goodwill

The Company allocates goodwill to group of assets that generates cash inflows for annual impairment testing as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
The isa Resort Company Limited	44,950	44,950
PDS Holding Company Limited	18,620	-
	63,570	44,950
Less: Allowance for diminution in value of goodwill	(13,500)	(13,500)
Total	50,070	31,450

The Company has determined the recoverable amounts of its cash-generating units based on value in use using cash flow projections from the financial estimation approved by management covering a five-year and over five-year period which estimated from the growth rate not over than the average long-term growth rate of the industry and franchises contract of cash-generating units.

Key assumptions used in value in use calculations are as follows:

(Unit: percent per annum)

	The isa Resort Company Limited	PDS Holding Company Limited
Long-term growth rate	2	3
Discount rate	6.24	9.61

Management has considered growth rate from policy, business plan, overall market growth forecast and discount rate to reflect the risks specific to each cash-generating unit.

Management has considered the above and believes that there is no occurrence of impairment of goodwill.

20. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
Bank overdrafts	MOR	MOR	3,155	324	3,155	318
Short-term loans from financial institutions	2, 2.64, MLR - 1.95 to MLR - 2.50	-	486,569	-	449,569	-
Total			489,724	324	452,724	318

Bank overdrafts and short-term loans from financial institutions of the Group are secured by the mortgage of the Group's investment property and land with construction thereon (as described in Notes 15 and 16 to the financial statements, respectively) and pledge of its subsidiary leasehold rights (land) as described in Note 17 to the financial statements.

21. Trade and other payables

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade accounts payable - related parties	340	9	920	810
Trade accounts payable - unrelated parties	64,265	211,807	35,789	153,316
Other payables - related parties	244	712	3,221	5,627
Other payables - unrelated parties	82,314	68,795	65,288	35,847
Accrued interest expenses - related parties	-	-	54	-
Accrued interest expenses - unrelated parties	4,947	5,794	1,147	2,310
Accrued expenses - related parties	1,787	2,423	1,238	1,776
Accrued expenses - unrelated parties	79,812	64,681	53,096	20,391
Payables for purchase of assets - unrelated parties				
	27,207	15,099	24,629	14,064
Total trade and other payables	260,916	369,320	185,382	234,141

22. Long-term loans

(Unit: Thousand Baht)						
Loan	Credit facilities (Million Baht)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2020	2019	2020	2019
1.	223.5	Monthly installments as from April 2015 - March 2023	103,500	108,800	103,500	108,800
2.	140	Monthly installments as from July 2015 - June 2023	51,490	54,830	51,490	54,830
3.	100	Monthly installments as from June 2017 - July 2026	67,000	69,000	67,000	69,000
4.	75	Monthly installments as from July 2017 - April 2025	54,000	55,500	54,000	55,500

(Unit: Thousand Baht)						
Loan	Credit facilities	Repayment schedule	Consolidated financial statements		Separate financial statements	
	(Million Baht)		2020	2019	2020	2019
5.	280	Monthly installments as from December 2015 - February 2024	124,800	130,400	124,800	130,400
6.	1,150	Monthly installments as from January 2013 - September 2022	449,800	476,800	-	-
7.	550	Monthly installments as from November 2017 - October 2028	455,500	459,000	-	-
8.	330	Monthly interest payment, principal repayment of 75% of the selling price and not less than Baht 93,750 per square meter.	-	330,000	-	330,000
9.	770	Monthly interest payment, principal repayment of 70% of the selling price and not less than Baht 70,000 per square meter.	371,108	496,370	371,108	496,370
10.	30	Monthly installments as from November 2020 - December 2030	30,000	30,000	30,000	30,000
11.	126	Monthly installments as from April 2021 - March 2031	114,400	8,115	114,400	8,115
12.	40	Monthly installments as from May 2022 - April 2025	40,000	-	20,000	-
13.	20	Monthly installments as from March 2021 - August 2026	20,000	-	-	-
14.	30	Monthly installments as from October 2021 - March 2022	30,000	-	-	-

			(Unit: Thousand Baht)			
Loan	Credit facilities	Repayment schedule	Consolidated		Separate	
	(Million Baht)		financial statements		financial statements	
			2020	2019	2020	2019
15	3.8	Monthly installments as from November 2020 - October 2023	3,153	-	-	-
16.	2.1	Monthly installments as from July 2021 - June 2030	1,709	-	-	-
Total			1,916,460	2,218,815	936,298	1,283,015
Less: Deferred front-end fee			(1,031)	(1,859)	(788)	(1,859)
Total			1,915,429	2,216,956	935,510	1,281,156
Less: Current portion			(606,895)	(1,112,953)	(498,264)	(936,953)
Long-term loans, net of current portion			1,308,534	1,104,003	437,246	344,203

Movements of the long-term loans account during the year ended 31 December 2020 are summarised below.

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 January 2020	2,216,956		1,281,156	
Add: Additional borrowings	399,166		323,785	
Less: Repayments	(701,521)		(670,502)	
Less: Financial fees	(270)		-	
Add: Amortisation of front - end fee	1,098		1,071	
Balance as at 31 December 2020	1,915,429		935,510	

Long-term loans from financial institutions of the Group bear interest rates at 0 to 2.00 percent and MLR minus the rate as stipulated in each contract (MLR - 2.00 to MLR - 1.53).

Certain long-term loans are secured by the mortgage of property development cost, investment property, and land and construction thereon of the Group and pledge of leasehold rights (land) of subsidiary as described in Notes 12, 15, 16 and 17 to the financial statements, respectively.

Some of the loan agreements contain several covenants which, among other things, require the Group to maintain interest bearing debt-to-equity ratio and debt service coverage ratio. However, the banks will consider such covenants and restrictions based on financial statement for the end of each year. Including obtaining of consent letter from the banks before the Company and subsidiary provide loan facility to their directors,

shareholders and subsidiary companies and also the Company has to maintain shareholding proportion in the subsidiary prescribed in the agreement.

Nevertheless, the subsidiaries cannot maintain debt-to-equity ratio and some other conditions. However, on 30 December 2020, the subsidiaries were granted a waiver letter by the banks for such non-compliance.

As at 31 December 2020, the long-term credit facilities of the Company which have not been drawn down amounted to Baht 88 million (2019: Baht 392 million).

23. Deferred revenue from leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Deferred revenue from leasehold rights	16,110	23,915
Less: Realisation as revenue during the year	(7,805)	(7,805)
Balance	8,305	16,110
Less: Current portion	(7,805)	(7,805)
Deferred revenue from leasehold rights - net of current portion	500	8,305

(1) In 2009, a subsidiary had entered into the space rental and service agreement with a bank for the period of 10 years, effective since 1 January 2012, and is renewable up to 31 October 2039. The subsidiary has received the rental and service guarantee deposits totaling Baht 1.2 million.

(2) In 2011, a subsidiary had entered into the space rental agreement with unrelated company for the period of 10 years and 3 months, started since the day the Company delivered the rental spaces to the tenant. The subsidiary has received the rental guarantee deposits totaling Baht 2.0 million.

24. Long-term provision for employee benefits

Long-term provision for employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Provision for long-term employee benefits				
at beginning of year	17,901	11,953	9,950	7,115
Included in profit or loss:				
Current service cost	1,994	1,981	380	905
Interest cost	451	336	234	187
Past service costs and gains or losses on settlement	-	1,252	-	824
Actuarial (gain) losses arising from				
Demographic assumptions changes	42	-	95	-
Financial assumptions changes	(4,007)	1,887	(2,176)	919
Experience adjustments	1,916	-	3,046	-
Increase from purchase of investment	-	492	-	-
Benefits paid during the year	(1,073)	-	(652)	-
Provision for long-term employee benefits				
at end of year	<u>17,224</u>	<u>17,901</u>	<u>10,877</u>	<u>9,950</u>

The Group expects to pay Baht 0.5 million of long-term employee benefits during the next year (the Company only: Baht 0.1 million) (2019: Baht 1.7 million, the Company only: Baht 1.3 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit of the Group is between 11 and 23.4 years. (the Company only: 11 years) (2019: the Group and the Company only: 12 years).

Significant actuarial assumptions are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Discount rate	1.49 - 2.22	1.71 and 2.09	1.49	1.71
Salary increase rate	2.00	5.00 and 6.00	2.00	6.00
Turnover rate (Depending on age range)	2.87 - 57.30	1.91 - 28.65	7.16 - 28.65	7.16 - 28.65

(Unit: % per annum)

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:

(Unit: Million Baht)

	Consolidated financial statements					
	Discount rate		Salary increase rate		Turnover rate	
	Increase 1%	Decrease	Increase	Decrease	Increase	Decrease
		1%	1%	1%	20%	20%
As at 31 December 2020	(1.5)	1.8	1.7	(1.5)	(2.8)	3.7
As at 31 December 2019	(1.7)	1.7	1.8	(1.6)	(3.3)	4.8

(Unit: Million Baht)

	Separate financial statements					
	Discount rate		Salary increase rate		Turnover rate	
	Increase 1%	Decrease	Increase	Decrease	Increase	Decrease
		1%	1%	1%	20%	20%
As at 31 December 2020	(0.9)	1.0	0.9	(0.8)	(1.5)	1.9
As at 31 December 2019	(0.8)	0.7	0.8	(0.7)	(1.5)	2.0

25. Share capital

During 24 - 26 April 2019, the Company offered 75 million of additional ordinary shares, which par value of Baht 5 each, at a price of Baht 10 per share to the initial public offering and the directors, executives, and employees of the Company amounting to Baht 750 million. The Company received full settlement of the additional share capital on 29 April 2019. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 30 April 2019. Moreover, direct costs attributable to the share offering amounting to Baht 19.94 million are presented as a deduction from the premium on ordinary shares.

The Stock Exchange of Thailand (SET) has approved the listing of the ordinary shares of the Company as securities on the SET, was traded on 3 May 2019.

Reconciliation of share capital

	Par value (Baht per share)	Consolidated and Separate financial statements			
		Share capital		Paid-up registered of share capital	
		Amount		Amount	
		Shares	(Baht)	Shares	(Baht)
As at 1 January 2019	5		1,750,000,00		
		350,000,000	0	244,681,672	1,223,408,360
Increase in registered ordinary shares during the year					
- increase in share capital	5	-	-	75,000,000	375,000,000
As at 31 December 2019			1,750,000,00		
		350,000,000	0	319,681,672	1,598,408,360

26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

27. Revenue from contracts with customers

27.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Type of goods or service:				
Revenue from hotel operations	561,613	1,252,204	197,439	259,868
Revenue from management service	17,970	28,766	18,360	30,127
Revenue from sales of real estate	1,260,381	370,549	1,163,249	36,128
Revenue from sale of food and beverage	133,489	44,828	7,913	6,181
Total revenue from contracts with customers	<u>1,973,453</u>	<u>1,696,347</u>	<u>1,386,961</u>	<u>332,304</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	1,970,371	1,692,865	1,371,584	309,382
Revenue recognised overtime	3,082	3,482	15,377	22,922
Total revenue from contracts with customers	<u>1,973,453</u>	<u>1,696,347</u>	<u>1,386,961</u>	<u>332,304</u>

Set out below is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 31 relating to the segment information:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
External customer	1,973,453	1,696,347	1,372,143	310,324
Inter-segment	15,308	23,108	14,818	21,980
	<u>1,988,761</u>	<u>1,719,455</u>	<u>1,386,961</u>	<u>332,304</u>
Adjustments and eliminations	(15,308)	(23,108)	-	-
Total revenue from contracts with customers	<u>1,973,453</u>	<u>1,696,347</u>	<u>1,386,961</u>	<u>332,304</u>

27.2 Revenue recognised in relation to contract balances

During the current year, the Group recognised revenue that was included in advance received from customers at the beginning of the year amounting to Baht 309.4 million (2019: Baht 129.2 million) (the Company only: Baht 258.1 million 2019: Baht 24.2 million).

27.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue totaling Baht 1,038.6 million (2019: Baht 2,063.6 million) (the Company only: Baht 1,018.7 million 2019: 1,979.9 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unfinished (or partially unfinished). The Group expects to satisfy these the performance obligations within 1 years.

27.4 Cost to obtain contracts with customers

Cost to obtain contracts with customers for the year ended 31 December 2020 and 2019 are summarised as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Balance as at beginning of year	42,747	42,808	39,765	35,636
Additions	7,134	11,251	5,008	5,052
Recognise as selling expenses during the year	(28,582)	(11,312)	(24,600)	(923)
Balance as at end of year	21,299	42,747	20,173	39,765

28. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Increase in land and construction during the year	403,071	721,174	403,651	719,753
Changes in land and property development cost	459,952	(449,633)	381,376	(692,964)
Salaries and wages and other employee benefits	327,246	504,423	114,976	151,054
Depreciation and amortisation expenses	245,990	217,651	58,852	50,310
Rental expenses from operating lease agreements	12,352	20,868	617	6,453
Repair and maintenance	13,647	22,956	4,902	5,999
Water supply and electricity	44,631	60,942	16,039	16,119

Supplies	35,103	43,583	8,643	7,784
Consulting fee and other services fee	15,717	18,976	17,003	8,166
Credit card fee	8,804	17,881	3,873	5,149
Management fees and franchise fees	9,695	30,425	4,015	4,729
Commission	64,408	72,574	38,218	15,037
Selling and marketing expense	74,023	60,123	60,438	18,189
Cost of foods and beverage	106,809	150,429	19,982	28,441
Interest expenses on borrowings	73,226	69,467	35,504	20,237

29. Income tax

Income tax expenses for the year ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	14,708	17,059	14,737	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(7,815)	(3,898)	22,913	(11,571)
Income tax expense (revenue) reported in the statement of comprehensive income	6,893	13,161	37,650	(11,571)

The amounts of income tax relating to each component of other comprehensive income for the year ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax on actuarial (gains) losses	(410)	376	193	184

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit before tax	25,566	96,353	207,140	63,628
Applicable tax rate	Exemption - 20%		Exemption - 20%	
Accounting profit before tax multiplied by income tax rate	5,201	19,457	41,428	12,726
Effects of:				
Exempted income	-	-	-	(15,595)
Non-deductible expenses	1,704	963	1,382	492
Additional expense deductions allowed	(8,923)	(8,719)	(5,486)	(5,470)
Unused tax loss	8,664	2,240	-	-
Others	247	(780)	326	(3,724)
Total	1,692	(6,296)	(3,778)	(24,297)
Income tax expenses (revenue) reported in profit or loss	6,893	13,161	37,650	(11,571)

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)				
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for expected credit losses				
(2019: Allowance for doubtful account)	168	20	111	14
Allowance for diminution in value of property development cost	1,222	1,214	875	1,214
Provision for long-term employee benefits	3,164	3,196	2,175	1,990
Deferred rental expense	3,349	3,520	-	286
Deferred interest expenses	1,353	1,299	632	647
Unused tax loss	33,017	31,803	-	28,358
Provision for guarantee	2,129	1,838	2,019	195
Assets/liabilities under finance leases	2,482	68	411	68
Deferred rental income	230	265	-	-
Increase from purchase of investment	-	9,296	-	-
Deferred tax liabilities				
Accumulated depreciation - building	(3,299)	(1,850)	-	-
Deferred rental income	(16)	(14)	(16)	(14)
Deferred financial service fees	(358)	(370)	(358)	(370)
Cost to obtain contracts	(4,260)	(8,549)	(4,034)	(7,953)
Surplus on revaluation of asset	(57,738)	(56,267)	-	-
Deferred tax assets (liabilities) - net	(18,557)	(14,531)	1,815	24,435
Statement of financial position are presented below.				
Deferred tax assets	39,181	41,735	1,815	24,435
Deferred tax liabilities	(57,738)	(56,266)	-	-
Deferred tax assets (liabilities) - net	(18,557)	(14,531)	1,815	24,435

As at 31 December 2020, subsidiaries have deductible temporary differences and unused tax losses totaling Baht 45 million (2019: Baht 37 million), on which deferred tax assets have not been recognised as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holder of the Company (not including other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Earnings per share were computed as follows:

		Consolidated financial statements			
		Profit for the year		Weighted average number of ordinary shares	
		2020	2019	2020	2019
		(Thousan	(Thousan	(Thousan	(Thousan
		d	d	d	d
		Baht)	Baht)	shares)	shares)
Earnings per share					
		2020	2019	2020	2019
		(Baht)	(Baht)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders					
of the Company		18,673	83,192	319,682	295,435
				0.06	0.28

		Separate financial statements			
		Profit for the year		Weighted average number of ordinary shares	
		2020	2019	2020	2019
		(Thousan	(Thousan	(Thousan	(Thousan
		d	d	d	d
		Baht)	Baht)	shares)	shares)
Earnings per share					
		2020	2019	2020	2019
		(Baht)	(Baht)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders					
of the Company		169,490	75,199	319,682	295,435
				0.53	0.25

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and has four reportable segments as follows:

- Hotel business segment relates to hotel and restaurant operations.
- Property development segment relates to property development sales.
- Food and beverage segment related to restaurant, bakery and beverage.
- Other business segments related to management service and rental and service from lands and buildings which managements manage for lease.

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.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit and total assets information regarding the Group's operating segments for the year ended 31 December 2020 and 2019, respectively.

(Unit: Million Baht)

For the year ended 31 December 2020							
	Hotel	Property development	Food and beverage	Others	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue							
Revenue from operating segment							
Revenue from external customers	562	1,260	133	32	1,987	-	1,987
Inter-segment	-	-	-	-	-	-	-
Total Revenue	562	1,260	133	32	1,987	-	1,987
Selling expenses	(54)	(67)	(8)	-	(129)	2	(127)
Commission	(27)	(31)	(6)	(1)	(65)	-	(65)
Finance cost	(75)	(19)	(4)	-	(98)	17	(81)
Depreciation and amortisation	(222)	(1)	(23)	-	(246)	-	(246)
Segment profit (loss)	(134)	279	(1)	21	165	19	184
Unallocated revenue and expenses:							

Other income	16
Other expense	(174)
Income tax expense	(7)
Profit for the year	19

The following table present assets information regarding the Group's operating segments as at 31 December 2020.

(Unit: Million Baht)						
	Hotel	Property developm ent	Food and beverage	Others	Total reportable segments	Adjustme nts and elimination ns Consolida ted
Segment total assets						
Increase (decrease) of non-current assets (other than financial instruments and deferred tax assets)	644	-	(76)	-	568	- 568

(Unit: Million Baht)						
For the year ended 31 December 2019						
	Hotel	Property developm ent	Food and beverage	Others	Total reportable segments	Adjustmen ts and elimination s Consolida ted
Revenue						
Revenue from operating segment						
Revenue from external customers	1,252	371	45	42	1,710	- 1,710
Inter-segment	1	-	-	31	32	(32) -
Total Revenue	1,253	371	45	73	1,742	(32) 1,710
Selling expenses	(104)	(38)	(1)	-	(143)	14 (129)
Commission	(60)	(13)	-	-	(73)	- (73)

Finance cost	(89)	-	(1)	(1)	(91)	21	(70)
Depreciation and amortisation	(206)	(5)	(5)	-	(216)	(2)	(218)
Segment profit	192	43	4	55	294	1	295
Unallocated revenue and expenses:							
Other income							37
Other expense							(236)
Income tax expense							(13)
Profit for the year							83

The following table present assets information regarding the Group's operating segments as at 31 December 2019.

(Unit: Million Baht)						
	Hotel	Property development	Food and beverage	Others	Total reportable segments	Adjustments and eliminations Consolidated
Segment total assets						
Increase (decrease) of non-current assets (other than financial instruments and deferred tax assets)	(40)	-	131	-	91	- 91

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

For the year 2020 and 2019, the Group has no any customer with revenue of 10 percent or more of an entity's revenues.

32. Provident fund

The Group and its employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Group and employees of each company contribute to the funds monthly at the rate of 2 percent and 5 percent of basic salary. The funds, which are managed by Bangkok Capital Asset Management Company Limited and Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to Baht 0.1 million

(2019: Baht 2.9 million) were recognised as expenses (the Company only: Baht 0.2 million, 2019: Baht 0.9 million).

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2020, the Group had capital commitments of approximately Baht 27 million (2019: Baht 224 million), (the Company only: Baht 27 million, 2019: Baht 224 million), relating to purchase of land, construction of hotel buildings and condominium of the Group.

33.2 Operating lease and service agreement commitments

The Group has entered into lease agreements in respect of land, office building space and equipment. The terms of the agreements are between 1 - 32 years.

As at 31 December 2019, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Payable within:		
Up to 1 year	36	10
Over 1 and up to 5 years	61	17
Over 5 years	111	-

As at 1 January 2020, the Group recognised lease liabilities for lease agreements previously classified as operating leases, as described in Note 4 to the financial statements.

As at 31 December 2020, the Group have future minimum lease payment for short-term leases and leases of low-value assets amounting to Baht 17 million (the Company only: Baht 1 million).

33.3 Operating agreement commitments

The group has operating agreement commitments as follows:

- The Group has entered into several operating agreements that the counter party would be the management of the subsidiary's hotel and provide the services on room booking, marketing and promotion activities. In consideration of such services, the Group is committed to pay remuneration at the rates, terms and basis specified in the agreements. The management fees for the year 2020 amounting to Baht 22.4 million (2019: Baht 54.5 million) (The Company only: Baht 10.1 million, 2019: Baht 12.5 million).
- Subsidiaries have entered into a franchise agreement with third parties in order to obtain rights to operate food restaurants and beverage. According to the agreements, the subsidiaries are committed to pay

franchise fees as stipulated in the agreement. Furthermore, subsidiaries have to pay royalty fees based on a percentage of sales and have to comply with certain terms and conditions as stipulated in the agreement. Royalty fees based on a percentage of sales for the year 2020 amounting to Baht 5.1 million (2019: Baht 1.3 million).

33.4 Servitude commitments

As at 31 December 2020 and 2019, the Group have servitude over land summarised below.

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Servitude of land approximately				
(Square wah)	632.50	617.00	499.50	489.00

Cost of servitude over land is included in the Group's property, plant and equipment.

33.5 Guarantees

As at 31 December 2020, the Group has bank guarantees amounting to Baht 9 million (2019: Baht 8.1 million) (The Company only: Baht 2.9 million, 2019: Baht 2.0 million) issued on behalf of the Group, mainly provided for the usage of electricity.

33.6 Litigation

During the year 2019, the Company received a letter from the Phetchaburi Administrative Court notifying the Company, as an interpleader, to enter in a legal case between an individual and its parties ("the plaintiff") and the Director-General of the Department of Lands and 2 other parties ("the defendant"). The Company has purchased many plots of land located in Khao Takiab District, Hua Hin District, Prachuap Khiri Khan. After receiving the ownership of the land, the Company found that the villagers nearby the land, led by the plaintiff, had previously sued the Department of Lands and the Director-General of the Department of Lands as defendant on the grounds that the defendant unlawfully issued land title deeds, blocking a path to access the beach and the defendant moved the pins of land which was a thoroughfare for the villagers. The Prachuap Khiri Khan Provincial Land Office, Hua Hin Branch, in collaboration with the Regional Harbor Office, Prachuap Khiri Khan Branch, and Hua Hin Municipality Office, had inspected the said area and viewed favorably that the Company's land did not block the public beachfront thoroughfare. The plaintiff might be based on a misconception. The Supreme Court had dismissed the case on 1 December 2016.

On 15 July 2020, the Phetchaburi Administrative Court rendered a verdict on the said case to revoke the land title deeds of 4 plots of the Company, only the sections that overlap or overlap the road boundary. The total area of land that may be affected is approximately 53 square wah and the book value is in the amount of Baht 4.9 million.

On 13 August 2020, the Company filed an appeal against the judgement of the Phetchaburi Administrative Court to the Supreme Administrative Court. The case is still under consideration of the Supreme Administrative Court.

As at 31 December 2020, the Company has already set aside provision of Baht 4.9 million for loss arising from litigation. The management of the Company believes that the provisions made in the accounts are adequate to cover any losses that may arise from this case.

34. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)	Number of shares (Thousand shares)
Final dividends from retained earnings as at 31 December 2018	Annual General Meeting of the shareholders on 28 March 2019	70.96	0.29	244,682
Interim dividends from retained earnings as at 31 March 2019	Board of Directors' Meeting on 10 April 2019	30.58	0.125	244,682
Total dividends for 2019		101.54	0.415	
Interim dividends from operating results of 2019	Board of Directors' Meeting on 15 April 2020	31.97	0.10	319,682
Total dividends for 2020		31.97	0.10	

35. 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			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment unit	-	65	-	65
Assets for which fair value are disclosed				
Investment property	-	-	13	13

(Unit: Million Baht)

Consolidated Financial Statements				
As at 31 December 2019				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment unit	-	124	-	124
Assets for which fair value are disclosed				
Investment property	-	-	13	13

(Unit: Million Baht)

Separate Financial Statements				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment unit	-	65	-	65
Assets for which fair value are disclosed				
Investment property	-	-	13	13

(Unit: Million Baht)

Separate Financial Statements				
As at 31 December 2019				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment unit	-	124	-	124
Assets for which fair value are disclosed				
Investment property	-	-	13	13

36. Financial instruments

36.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, other current financial assets, loans to, short-term loans, trade and other payables, long-term loans, and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, loans to and other receivables. The Group's maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position.

Trade accounts receivable

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 accounts receivable are regularly monitored.

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 customer type. 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.

Interest rate risk

The Group exposures to interest rate risk relates primarily to its cash at banks, bank overdrafts, long-term loans to and long-term borrowings. Most of the Group financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date).

(Unit: Million Baht)

	Consolidated financial statement						
	As at 31 December 2020						
	Fixed interest rates				Non- interest		
	Within	1-5	Over	Floating	Non- interest		Effective
	1 year	years	5 years	interest	bearing	Total	interest
				rate			rate
							(% per annum)
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	68	2	70	0.05 - 1.10
Trade and other receivables	-	-	-	-	33	33	-
Other current financial assets	-	-	-	-	65	65	-
	-	-	-	68	100	168	

(Unit: Million Baht)

	Consolidated financial statement						
	As at 31 December 2020						
	Fixed interest rates			Floating interest rate	Non- interest		Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years		bearing	Total	
Bank overdrafts and short-term loans from financial institutions	-	-	-	490	-	490	MOR, 2, 2.64, MLR - 2.50 to MLR - 1.95
Trade and other payables	-	-	-	-	261	261	-
Long-term loans from financial institutions	15	15	-	1,883	2	1,915	0, 2, MLR - 2.00 to MLR - 1.53
Leases liabilities	22	60	80	-	-	162	0 - 7.7
	37	75	80	2,373	263	2,828	

(Unit: Million Baht)

	Separate Financial Statements						
	As at 31 December 2020						
	Fixed interest rates			Floating interest rate	Non- interest bearing		Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years			Total	
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	47	1	48	0.05 - 0.25
Trade and other receivables	-	-	-	-	18	18	-
Other current financial assets	-	-	-	-	65	65	-
Long-term loans to subsidiaries	-	-	81	-	-	81	3.90
	-	-	81	47	84	212	

Financial liabilities

Bank overdrafts and short-term loans from financial institutions	-	-	-	453	-	453	MOR, 2.64, MLR - 2.50 to MLR - 1.95
Trade and other payables	-	-	-	-	185	185	-
Short-term loans from subsidiaries	10	-	-	-	-	10	3.75 - 3.90
Long-term loans from financial institutions	-	-	-	936	-	936	MLR - 2.00 to MLR - 1.53
Leases liabilities	10	34	-	-	-	44	0 - 7.7
	20	34	-	1,389	185	1,628	

(Unit: Million Baht)

Consolidated financial statement

As at 31 December 2019

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	85	3	88	0.1 - 0.5
Trade and other receivables	-	-	-	-	55	55	-
Other current financial assets	-	-	-	-	124	124	-
	-	-	-	85	182	267	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	369	369	-
Long-term loans from financial institutions	-	-	-	2,217	-	2,217	MLR - 1.85 to MLR
Leases liabilities	2	2	-	-	-	4	4.0 - 7.7
	2	2	-	2,217	369	2,590	

(Unit: Million Baht)

Separate Financial Statements							
As at 31 December 2019							
Fixed interest rates							Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	54	1	55	0.1 - 0.375
Trade and other receivables	-	-	-	-	22	22	-
Other current financial assets	-	-	-	-	124	124	-
Long-term loans to subsidiaries	-	538	-	-	-	538	4.5 - 6.5
	-	538	-	54	147	739	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	234	234	-
Long-term loans from financial institutions	-	-	-	1,281	-	1,281	MLR - 1.85 to MLR
Leases liabilities	1	1	-	-	-	2	4.0 - 7.7
	1	1	-	1,281	234	1,517	

Liquidity risk

The Group regularly assesses the risk of a shortage of liquidity by maintaining an appropriate amount of cash and cash equivalents for the Group's business operations. Approximately 52.9% of the Group's debt will mature in less than one year at 31 December 2020 (2019: 63.5%) (the Company only: 74.9%, 2019: 82.4%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
Bank overdraft and short-term loans					
from financial institutions	-	493,278	-	-	493,278
Trade and other payables	-	260,916	-	-	260,916
Lease liabilities	-	29,106	79,133	112,539	220,778
Long-term loans	-	665,878	1,131,179	290,280	2,087,337
Other financial liabilities	-	1,648	1,968	-	3,616
	-	1,450,826	1,212,280	402,819	3,065,925

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
Bank overdraft and short-term loans					
from financial institutions	-	456,100	-	-	456,100
Trade and other payables	-	185,382	-	-	185,382
Short-term loans from subsidiaries	9,500	-	-	-	9,500
Lease liabilities	-	11,328	37,262	-	48,590
Long-term loans	-	522,739	388,247	89,092	1,000,078
	9,500	1,175,549	425,509	89,092	1,699,650

36.2 Fair values of financial instruments

Since the majority of the Group financial instruments are short-term in nature, loans to and loans from 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.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other receivables, trade and other payables, short-term loans from and lease liabilities, their carrying amounts in the statement of financial position approximate their fair value.
- b) For equity securities, their fair value is generally derived from quoted market prices.
- c) For investment unit, their fair value is generally derived from net asset value of investment unit.
- d) For long-term loans with fix rate of interest, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- e) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

37. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.59:1 (2019: 1.61:1) and the Company's was 0.74:1 (2019: 0.83:1).

38. Event after the reporting period

On 24 February 2021, the Board of Director Meeting No. 1/2021 passed a resolution to propose to the Annual General Meeting of the Company's shareholders to approve the appropriation of statutory reserve amounting to Baht 8.48 million and to approve a dividend payment at a rate of Baht 0.10 per share from the net profit for the year 2020 and retained earnings, totaling of Baht 31.97 million.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2021.



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