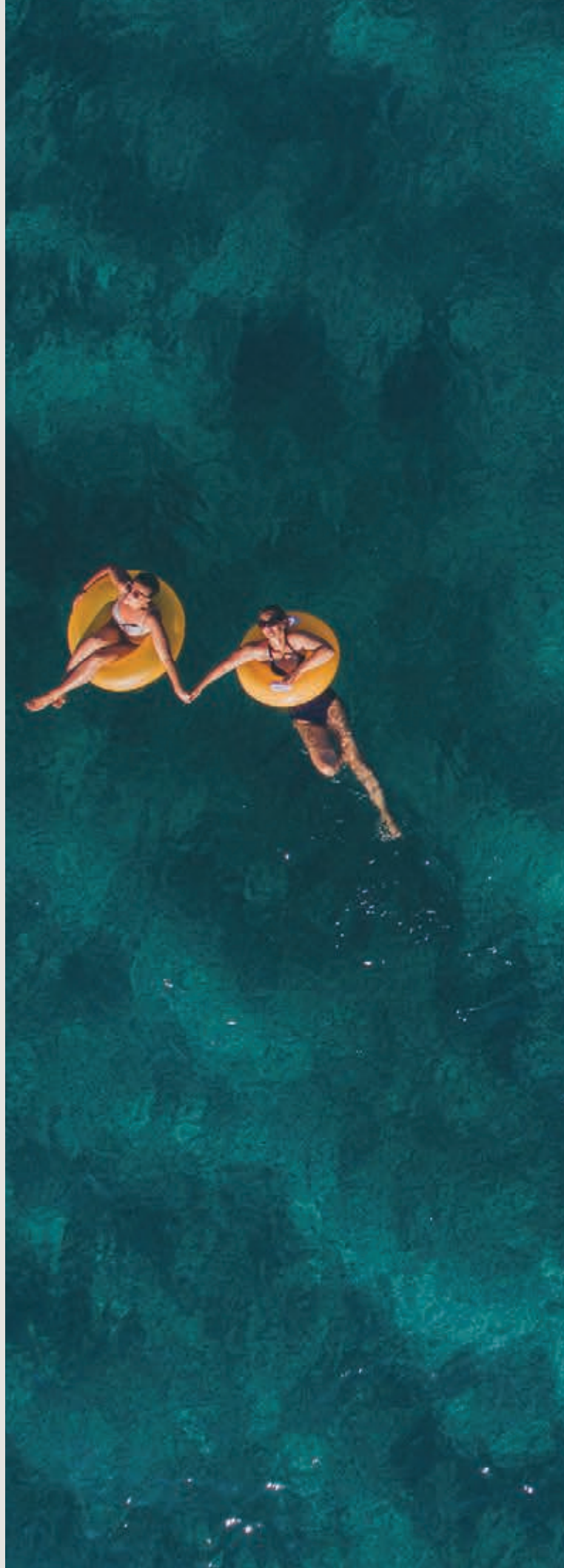

SHARE THE JOURNEY –
CREATING A MEMORABLE
MOMENT OF
AN ENRICHING LIFE



ENRICHING LIFE



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Shared Value & Distinctive Brand Equity

Thai-inspired Hospitality with Independent Spirit



Sustainable Growth

International Hospitality
Management & Investment Company



Dynamic Quality Services & Products

Create Value within Affordable Quality
Settings for Guests to Relax, Work, Play
and Share Instant Stories



Strong Commitment

Support and Commit to Shareholders



Skilled & Passionate Team Members

Highly Engaged Employee Value Propositions



Socially Responsible

Strong Social and Environmental Consideration



Financial Stability

Disciplined Capital Management

FINANCIAL HIGHLIGHTS

	2017	2018	2019
CONSOLIDATED FINANCIAL RESULTS (BT.MN)			
Total Revenue from services ¹	1,074.0	2,575.7	3,818.1
Room Revenue	662.8	1,535.2	2,197.1
F&B Revenue	254.8	765.3	1,140.9
Other Revenue	156.4	275.3	480.1
Gross profit	500.3	1,106.4	1,327.7
Earning before financial costs and taxes	482.6	777.4	97.6
Net profit (loss) ²	113.1	232.0	(466.9)
Earnings per share ³ (Baht)	11.09	0.38	(0.20)

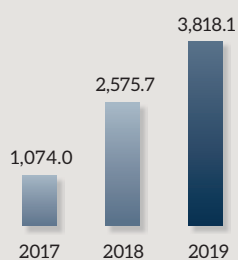
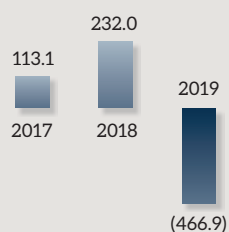
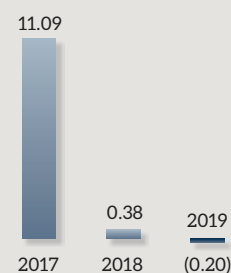
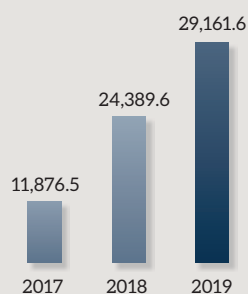
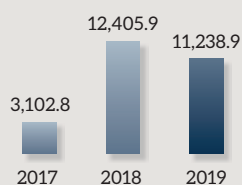
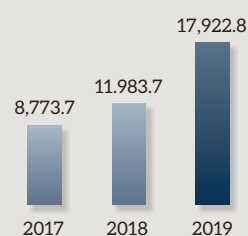
Remark: ¹ Excludes Other income.

² For the year attributable to ordinary shareholders of the Company

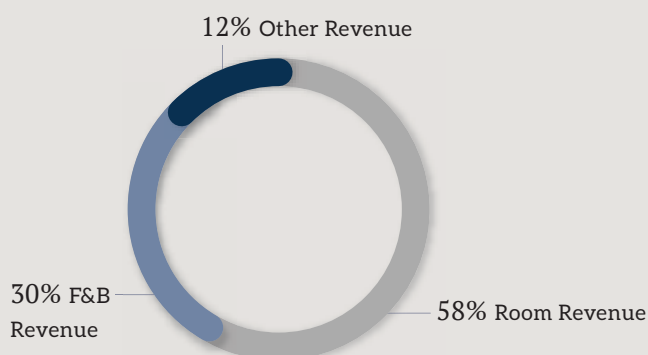
³ Calculated by weighted average shares (Par value at 5 Baht per share)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BT.MN)			
Total assets	11,876.5	24,389.6	29,161.6
Total liabilities	3,102.8	12,405.9	11,238.9
Net interest-bearing debt	2,616.9	10,030.2	7,847.5
Total shareholders' equity	8,773.7	11,983.7	17,922.8
Retained earning	128.3	356.1	(110.7)
Issued and paid-up share capital	51.0	10,780.9	17,968.2
Total number of shares (million shares)	0.5	107.8	3,593.6

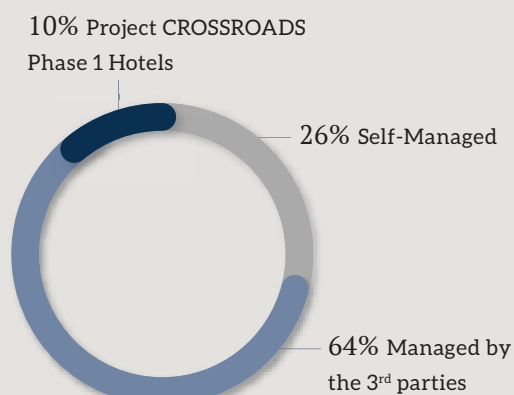
KEY FINANCIAL RATIO				
Net interest-bearing debt / Total equity	Times	0.3	0.8	0.4
Gross profit margin	%	46.6	43.0	34.8
Net profit margin	%	10.5	9.0	(12.2)
Return on assets	%	1.0	1.0	(1.6)
Return on equity	%	1.3	1.9	(2.6)
Earnings per share	Baht	11.09	0.38	(0.2)

**Consolidated total revenues ¹
(Bt.mn)****Consolidated net profit (loss) ²
(Bt.mn)****Earnings per share ² (Baht)****Total assets (Bt.mn)****Total liabilities (Bt.mn)****Total shareholders' equity (Bt.mn)****% REVENUE BY TYPE OF SERVICES IN 2019**

	2017	2018	2019
Room Revenue	62%	60%	58%
F&B Revenue	24%	30%	30%
Other Revenue	14%	10%	12%

**% REVENUE BY TYPE OF HOTELS IN 2019**

	2017	2018	2019
Self-Managed	100%	43%	26%
Managed by the 3 rd parties	0%	57%	64%
Project CROSSROADS Phase 1 Hotels	0%	0%	10%



MESSAGE FROM THE CHAIRMAN OF THE BOARD AND CEO



DEAR SHAREHOLDERS,

With strong fundamentals, strategic business platforms and the corporate vision committed to by the directors, executives and all employees of S Hotels and Resorts Public Company Limited ("SHR" or "the Company"), the year 2019 witnessed the starting of a new era of the Company with major achievements including 1) the successful launch of our Initial Public Offering (IPO) and public trading debut on the Stock Exchange of Thailand ("SET") 2) the official operations of the groundbreaking project, CROSSROADS Maldives, and further development through joint ventures 3) the launch of own upper-upscale resort brand with a flagship overseas property opening and, lastly 4) setting new benchmarks for sustainable initiatives.

Over the past four years, S Hotels and Resorts is one of the best performers in the hospitality business in terms of revenue

growth and number of rooms driven by both an organic and inorganic approach. Our solid foundation, with a fast-growing portfolio, and a successful IPO, will further support the company's long-term growth and reinforce our hospitality business expansion in both local and international markets.

A new chapter begins

In early November 2019, S Hotels and Resorts launched an Initial Public Offering and received overwhelming interest from both Thai and foreign investors, successfully raising 7,475 million baht. Thereafter, the Company officially became public listed on November 12, 2019 with SHR ordinary shares brought to trade on the Stock Exchange of Thailand. The IPO proceeds have been partially used to repay bank loans and shareholder

loans. As a result, SHR's net debt-to-equity ratio was reduced to only 0.4 times at the end of 2019, an appropriated capital structure to support the Company's further growth as planned.

In September, the Company officially opened the mega project CROSSROADS Maldives to visitors, which extended the portfolio of the Company to 39 properties in 5 countries with a total of 4,647 keys. With the commencement of CROSSROADS' Phase 1 operation, including two iconic lifestyle resorts, SAii Lagoon Maldives, Curio Collection by Hilton and Hard Rock Hotel Maldives, and a lifestyle complex The Marina @ CROSSROADS, S Hotels and Resorts has proven its full-scale overseas project management capabilities. CROSSROADS is the first fully integrated lifestyle destination introduced to the Maldives. The opening of this groundbreaking project marks another milestone on the growth journey of SHR to become a premier international hospitality management and hotel investment company.

Following the direction of strategic growth through four balanced business platforms: 1) Self-Owned and Managed Properties 2) Franchises 3) Third Party Operated Properties and 4) Hotel Management Agreements, in late 2019, S Hotels and Resorts unveiled its own upper-upscale resort brand SAii, a creative new brand that blends Thai hospitality with an international outlook. With the recent launch of the flagship property, SAii Lagoon Maldives, the Company plans to introduce this new concept to idyllic destinations focusing on exquisite islands and blissful beachfronts in Southeast Asia, the Indian Ocean and the South Pacific, in line with the expansion strategy. Partnered with the Curio Collection by Hilton, SAii Lagoon Maldives reflects how we work with the industry's leading brands to bring world-class hospitality to our guests.

In 2019, S Hotels and Resorts made another significant step in sustainable development for two of our prominent resorts, Santiburi Koh Samui and Phi Phi Island Village Beach Resort achieving highly-acclaimed awards for their environmental preservation efforts. Santiburi Koh Samui has been certified as a Carbon-Neutral Resort which confirms its operation runs in an efficient manner, reducing the amount of carbon it emits and successfully offsetting the rest. Phi Phi Island Village Beach Resort has been granted Gold Level for the Green Hotel Award and been certified as a plastic-free resort. Based on the success of the "Phi Phi Model", the Company has also established a Marine Discovery Centre and a Maldives Discovery Centre as

part of the CROSSROADS project, which opened to local and international visitors in 2019.

Moving towards a Premier International Hospitality Management and Hotel Investment Company

With appropriated capital structure post IPO, a diversified portfolio stretched across various markets and a full year operation of CROSSROADS, we are confident in the Company's general performance in this coming year.

2020 will see the first full year operation of CROSSROADS Maldives and its continuous project development as planned. In November 2019, S Hotels and Resorts entered into a Joint Venture Agreement, in accordance with the investment vision, in a high-end lifestyle resort on Island 3 of CROSSROADS Maldives with a strategic partner, Eco World Developer Company Limited ("WEWD"). The Resort on Island 3 will be composed of 80 spacious villas with the majority of the inventory as water villas, which will further strengthen CROSSROADS' market positioning with a more diversified portfolio. Construction is expected to start in 2020 with a target to commercially open the resort by 2022.

By 2025, the Company plans to double its hospitality presence from the current portfolio of 39 hotels and resorts to 80 properties. Following this direction, the Company will further explore projects in the upper-upscale and upper-midscale markets in coming year with a continuing focus on experiential offerings, as well as grow our quality portfolio by assessing an appropriate return in investment. A new partnership model will be introduced to further enhance our expansion.

Finally, on behalf of the Directors and Executives, we would like to express our deepest gratitude to all our shareholders, business partners, customers, employees, and all stakeholders including financial institutions, who have supported our development with their trust.

These are only a part of the endeavors of the Board members, the Management and all employees of the Company. It is with our earnest hope that our dedication will create sustainable growth and drive the Company to become a premier international hospitality management and hotel investment company.

On behalf of the Board of Directors and the Executives of S Hotels and Resorts Public Company Limited.



(Mr. Sompong Tantapart)
Chairman of the Board of Directors



(Mr. Dirk André L. De Cuyper)
Chief Executive Officer

REPORT OF THE AUDIT COMMITTEE

DEAR SHAREHOLDERS OF S HOTELS AND RESORTS PUBLIC COMPANY LIMITED,

The Audit Committee of S Hotels and Resorts consists of three independent directors who are fully qualified under the announcement of the Stock Exchange of Thailand. Each committee member has a term of three years. The Committee executed the tasks assigned by the Board in compliance with the regulations of its own charter, which aligns with SEC's and SET's requirements and regulations related to the Company's businesses.

The Committee held seven meetings in the fiscal year 2019 to review the Company's financial statements together with the executives, external auditor, and Internal Audit. The Committee and the external auditor also attended one meeting without the executives. The Committee examined the internal audit report and monitored the corrective actions of the Company.

The details of the Audit Committee's attendance are as follows:

Name	Position	Number of attendance/ Number of meetings
1. Mr. Sompong Tantapart	Chairman	7/7
2. Mr. Praisun Wongsmith	Member	7/7
3. Mr. Jukr Boon-Long	Member	7/7

The Audit Committee finished their duties and responsibilities and have come to the following conclusions:

1 Review of financial statements

The Audit Committee reviewed the quarterly and the 2019 annual financial statements by making enquiries and listening to explanations from the executives and the external auditor, to ensure the accuracy and reliability of the Company's financial statements according to the generally accepted accounting principles and the SET's requirements. The Audit Committee, together with the external auditor, regarded the Company's financial statements as properly prepared according to the generally accepted accounting principles and the SET's requirements. Financial information disclosure was sufficient and punctual for the benefits of shareholders, investors, or financial information users.

2 Review of the sufficiency of the internal control system and oversight of internal audit

The Committee reviewed and revised the sufficiency of the internal control system to ensure that the Company has a proper internal control system suitable for business operation, protection of the Company's property, damage prevention, accurate accounting, and efficient and effective utilisation of resources. During the process, the Committee examined the evaluation forms of the sufficiency of the internal control system and risk management according to the international standards, and consulted with the external auditor and the executives. The Committee did not find any problems or material issues, therefore they concluded that the Company's internal control was sufficient and effective.

Furthermore, the Audit Committee considered the scope of the work, duties and responsibilities, and independence of the internal audit unit according to the Internal Audit Charter. The Committee were also in charge of approving the appointment, transfer and dismissal of the head of Internal Unit, approving the annual internal audit, reviewing the compliance with the action plans, reviewing the audit report by giving recommendations and monitoring corrective actions according to the report, in order to achieve good governance and sufficient internal control. As a result of examining the external independent expert panel's report, the Internal Audit's report, and consulting with the auditor and the executives, the Committee's view was that the Company has a sufficient internal control system and the performance of the Internal Audit was appropriate and effective according to the international standards.

3 Compliance with laws and requirements

Each quarter the Committee reviewed the Company's operation in order to ensure the Company's compliance with the Securities and Exchange Act, the SET's requirements and other regulations related to the Company's businesses. The Committee viewed that there was no substantial incident which indicates non-compliance with laws, the SET's requirements, and other regulations related to the Company's businesses.

4 Review of related transactions with potential conflicts of interest

Each quarter and year the Committee reviewed related transactions or those with potential conflicts of interest, and the disclosure of transactions to see whether they were carried out as a normal course of business. Its view was that the transactions in 2019 were engaged with fairness, the Arm's Length Basis, and were in the Company's best interests. The information disclosure was valid and adequate.

5 Appointment of auditors in 2019

The Audit Committee, having assessed last year's performance, independence, and the appropriateness of the audit fees, proposed to the Board for approval from the shareholders' meeting to appoint PricewaterhouseCoopers ABAS Ltd. as the external auditor of the fiscal year ending on December 31, 2019. The appointment and the audit fees were proposed to shareholders to request for approval in the annual general meeting.

The Audit Committee has carried out its assigned duties and responsibilities by utilising adequate knowledge, competency, experience, precision, and independence. The process was without the limitation of information received from the executives, employees and all related parties. The Committee also provided comments and recommendations for the equal benefits of all stakeholders.

In summary, the Committee performed all of its duties in compliance with the Audit Committee Charter that has been approved by the Board. The Committee concluded that the Board, the executives, and the employees were determined to comply with rules and regulations in accordance with the Company's Code of Conduct to achieve their targets. They placed importance on operating under the internal control system and in compliance with the efficient Corporate Governance. The financial statements were made following the generally accepted accounting principles. The disclosure of financial information such as the Company's related transactions and transactions with potential conflicts of interest was adequate, valid, transparent and reliable. There also has been regularly improved in work processes in order to be suitable for the business environment.



(Mr. Sompong Tantapart)
Chairman of the Audit Committee

BOARD OF DIRECTORS AND MANAGEMENT



1 Mr. Thiti Thongbenjamas

- Director
- Chief Operating Officer
CROSSROADS Project

2 Mr. Jukr Boon-long

- Independent Director
- Member of the Audit Committee

3 Mr. Praisun Wongsmith

- Independent Director
- Member of the Audit Committee
- Chairman of the Risk Management
Committee

4 Mr. Sompong Tantapart

- Chairman of the Board of Directors
- Independent Director
- Chairman of the Audit Committee

5 Mr. Chayanin Debhakam, D.B.A.

- Director

6 Mr. Naris Cheyklin

- Director
- Chairman of the Executive Committee

7 Mrs. Thitima Rungkwansiroj

- Director
- Member of the Executive Committee
- Member of the Risk Management Committee

8 Mr. Terachart Numanit

- Director



9 Ms. Elinor Elizabeth Drennan Spindel
 • Senior Director, Global Revenue and Market Strategy

10 Mrs. Kornkamol Tantinam
 • Vice President, Human Resources and Brand Culture

11 Mr. Chairath Sivapornpan
 • Member of the Executive Committee
 • Chief Financial Officer
 • Company Secretary

12 Mr. Dirk André L. De Cuyper
 • Director
 • Member of the Executive Committee
 • Member of the Risk Management Committee
 • Chief Executive Officer

13 Ms. Kankanid Wichitcharoen
 • Senior Vice President, Finance

14 Ms. Meg Elizabeth Evans
 • Vice President, Global of Sales and Marketing

2019 YEAR IN BRIEF

Based on the Company's vision aiming for sustainable growth, our 2019 highlights included the following:



May 2019

THE COMPANY SUBMITTED THE APPLICATION OF SALE OF NEWLY ISSUED SHARES

On May 13, 2019, the Company submitted the application of sale of newly issued shares, the Registration Statement and the Draft Prospectus for its proposed IPO prospectus to the Securities and Exchange Commission.

APRIL 2019

THE COMPANY APPROVED THE TRANSFORMATION TO A PUBLIC COMPANY LIMITED AND THE INCREASE IN REGISTERED CAPITAL

On April 26, 2019, the 2019 Annual General Meeting of shareholders passed resolutions to transform the Company to a public limited company and to increase the registered capital for 7,537,280,000 baht from the previous 10,780,920,000 baht to 18,318,200,000 baht, increasing the previous 2,156,184,000 shares to 3,663,640,000 shares at the value of 5 baht per share to accommodate the offering of no more than 1,437,456,000 of shares in the Initial Public Offering ("IPO") and no more than 70,000,000 shares for the exercise of PO Warrant.



September 2019

THE OPENING OF 2 HOTELS AND THE MARINA OF THE CROSSROADS PROJECT PHASE 1 FOR COMMERCIAL OPERATIONS

On September 1, 2019, S Hotels and Resorts opened 2 hotels and a recreation complex for commercial operations. The fully-developed hotels are part of the CROSSROAD Project Phase 1 in Emboodhoo Lagoon, the Republic of Maldives. The opening consists of SAii Lagoon Maldives, Curio Collection by Hilton (198 rooms) and Hard Rock Hotel Maldives (178 rooms) and The Marina @ CROSSROADS which includes shopping areas, restaurants, beach clubs, discovery centres, kids facilities and entertainments.



November 2019

- On November 8, 2019, the Company received payment for additional ordinary shares for the amount of 1,437,456,000 shares offered for initially offering to the public. Such ordinary shares have a par value of 5 baht per share, which was offered at the price of 5.20 baht per share, totalling the net offering of 7,351,600,000 baht (after deduction of related fees and expenses). The Company began trading on the SET on November 12, 2019 in the sector of Tourism & Leisure. After the increased of capital, Singha Estate Public Comapany Limited still holds 60 percent of the paid-in capital of the Company's shares.
- The Company had repaid loans from the related parties, which was utilized in the acquisition of the Outrigger Hotels in 2018 and other projects amounting of 5,357,800,000 baht. The capital increase from IPO would result in the marked decrease in Debt-to-Equity ratio and financial costs going forward.
- On November 14, 2019, the Company, entered into the Joint Venture Agreement in accordance with the investment in high-end lifestyle resort on Island 3 of Project CROSSROADS (the "Project") with our strategic partner - Wai Eco World Developer Pte. Ltd. ("WEWD") - a conglomerate business partner from the Republic of the Union of Myanmar who invests in various businesses including property, mining automotive and food & beverage. A resort on Island 3 of CROSSROADS project is composed of 80 villas with the price point of \$900-\$1,000 per night. The Company expects to start construction in 2020 and commercially open by 2022.

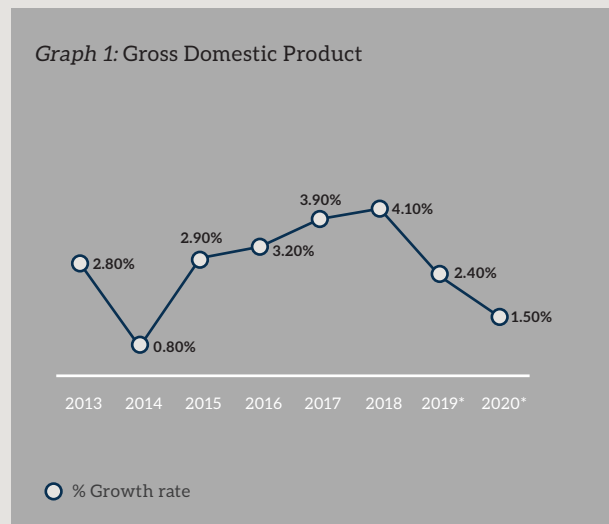
OVERVIEW OF THAILAND ECONOMY AND HOSPITALITY BUSINESS IN 2019

OVERVIEW OF THAILAND ECONOMY IN 2019

Office of the national economic and social development council was announced GDP in 2019 grew by 2.4 percent. Exports of goods and services decreased by 3.2 percent. Private final consumption expenditure and Gross fixed capital formation increased by 4.5 and 2.2 percent respectively. Average inflation rate was at 0.7 percent and surplus on current account made up 6.8 percent of the GDP. Private final consumption expenditure continuously increased supported by the interest rates, inflation rate, low unemployment rate and the government's stimulation scheme.

The average exchange rate of Thai Baht in 2019 was estimated around 31 Baht per US dollar¹, decreasing from the average of 32.30 Baht per US dollar in 2018. The decrease was a result of the additional expansionary monetary policy of world largest economies countries. The Federal Reserve of United states of America decreased the interest rates. Moreover, the European Central Bank also decreased the interest rates while announced a massive new treasury bond-buying program to stimulate Euro zone economy. Like European Central Bank, many central banks of Asian countries adopted expansionary monetary policy. For Thailand, the strong position of foreign-exchange reserves and the surplus on current account fostered investor's trust in Thailand's economic stability.

Graph 1: Gross Domestic Product



* Estimated figures from the Office of the National Economics and Social Developments Council

Graph 2: numbers of tourists visiting Thailand



* Source: Estimated figure, Ministry of Tourism and Sports

Hospitality business and tourism industry of Thailand

The overview of Thailand hospitality business in 2019 was still grow supporting by both local and international tourists. In the first half, number of tourist was effected by the lower of Chinese tourist due to boat accident in the middle of 2018. However, the number of Chinese tourist was recover in the second half of 2019. In addition, as a result of ongoing economic war between the United States and China, together with the situation of the world economy and the appreciation of Thai Baht, the estimated number of tourists was 39.8 million with 4.2 percent increase while the estimated income from tourism was at around 19.5 billion Baht, a decrease from what the Tourism Council of Thailand had estimated earlier. By the way, the level of competition among hospitality business was still high, especially in the group of 3-star hotel and below to gain market share from middle-level tourists. Moreover, there was rise in a number of property developers in the 4-star hotel and beyond which also increased the level of competition.

Additionally, a number of tourists visited popular destinations also grew up in line with the number of tourists visited the country. As a consequence of visa fees exemption which encouraged the increase of Chinese, Indian, and Taiwanese tourists. In addition, there was a continuous increase of a number of tourists from other Asian countries such as South Korea, Japan, and Laos.

The Government emphasis on making the tourism industry a regular driving force for the country's economy growth by having developed strategies to attract high-spending power tourists from China and to encourage the more fairly-distributed tourism market to decrease the effect of the shrinkage of middle-income Chinese tourists who are prone to economic recession and currency exchange rate change. The Government also focused on maintaining security for both the tourists' physical safety and their

property, arranging activities to promote tourism and attract high-income tourists from both regional and distant markets, tourist facilitation and easing density in popular tourist attractions, and also issuing campaigns to bring back Thai tourists who like to visit foreign countries to make more trips in Thailand.

Hospitality business and tourism industry in the Republic of Maldives

The tourism and hospitality business sector of the Republic of Maldives was still increasing in 2019 with the number of about 1.7 millions of tourists, an increase by 14.7 percent. European tourists accounted for 49 percent of the total number of tourists. The countries from which most European visitors came from were Germany, the United Kingdom, and Italy. From the previous period, the number of European tourists increased by 15 percent. Asian tourists accounted for 41 percent of the total number. The top three countries from which Asian-Pacific tourists came from were China, India, and Japan. Chinese tourists made for 17 percent of total tourists. However, Indian tourists were the group that increased the most, a staggering 84 percent increase accounting for 9.7 percent of the total number. The number of flights from various airlines also increased. As a result of the airport expansion to accommodate up to 4 million tourists, tourism industry of the Republic of Maldives could still keep on growing.

Trends of economy and tourism industry in 2020

Thailand economy in 2020 is estimated to grow by 1.5 – 2.5² percent, which mainly attributed to several factors such as the increasing in local demand both in household consumption and private and public investment, and increasing in export value of goods and services. Government announce the stimulative program which emphasis on tourism industry. The Government places importance on attracting high-income tourists, balancing tourist nationalities, upholding the safety of tourist, minimizing air pollution issue, arranging activities to promote tourism industry, improving of tourist facilitation and easing density in popular tourist attractions. Moreover, the Government also issue campaigns to support Thai-local tourist for having trips within Thailand. However, tourism industry was pressured by several negative factors; uncontrollable economic situations in foreign countries, shorter travelling period and less accommodation budget, and ongoing increase in number of new supply. Hospitality operator therefore came up with various strategies, for example, introducing a loyalty programme, giving special offers, or increasing the number of hotel under management to decrease the risks of the unstable tourism market.

The average currency exchange rate from Thai Baht to US dollar is expected about 30.50 – 31.50 Baht per US dollar, on par with that of 2019. Although Thai Baht is still under the pressure of its continuing appreciation from the latter half of 2019, but the gradual growth of the world economy in 2020, amidst the higher return rate of long-term

government bonds, the upholding of the federal monetary policy of the Federal Reserve, and the measures of the Bank of Thailand to increase the outflow of capital, will ease the appreciation of Thai Baht in 2020.

The hospitality business in the Republic of Maldives is estimated to continue growing because of various positive factors such as the strategies to expand the market to the middle-income tourists, the increase in rooms and the improvement of infrastructure especially the expansion of runways and terminal buildings that will be able to accommodate up to 4 million tourists per year. The number of tourists in 2020 is estimated to increase by 2 million. The main nationalities of the tourists will still be Chinese, German, British, and Italian. It is estimated that tourists from India and Australia will be the group with the highest growth in 2020. In summary, the overall hospitality business in the Republic of Maldives will continue to grow well and exponentially after the airport expansion and infrastructure development plans finish.

At the beginning of 2020, the new virus “COVID-19” started spreading in Republic of China and has spread to other countries around the globe. Republic of China then introduced a number of measures, including a lockdown policy, to try to halt the virus’s spread. However, the lockdown policy would cause the tourism industry, regional one in particular, to be suffer massively. Until now, the impact on the tourism industry is still yet to be fully understood.

Sources:

¹ Macroeconomics Strategy and Planning Office

² Office of the National Economic and Social Development Council
Bank of Thailand
National Bureau of Statistics (Maldives)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERFORMANCE OF THE YEAR 2019



BUSINESS OVERVIEW

For the ended of the year 2019, S Hotels and Resorts Public Company Limited ("the Company") had total revenue of THB 3,818.1 million, increased 48.2% from the ended of the year 2018 as a result of commercially available for two hotels as part of the Project CROSSROADS Phase 1 which commenced the operation on September 1, 2019.

SIGNIFICANT DEVELOPMENTS

On September 1, 2019, two hotels as part of the Project CROSSROADS Phase 1 in the Emboodhoo Lagoon in the Republic of Maldives including; SAii Lagoon Maldives, Curio Collection by Hilton (198 keys), and Hard Rock Hotel Maldives (178 keys) commenced its operation.

On November 8, 2019, the Company received payment for additional ordinary shares for the amount of 1,437,456,000 shares offered for initially offering to the public. Such ordinary shares have a par value of THB 5 per share, which was offered at the price of THB 5.20 per share, totalling the net offering of THB 7,351.6 million (after deduction of related fees and expenses).

In addition, the Company had repaid loans from the related parties, which was utilized in the acquisition of the Outrigger Hotels in 2018 and other projects amounting of THB 5,357.8 million. For the ended of the year 2019, financial costs for loans from related parties was THB 172.8 million which no longer needs to pay afterward. The capital increase from Initial Public Offering would result in the marked decrease in Debt-to-Equity ratio and financial costs going forward.

On November 14, 2019, the Company entered into the Joint Venture Agreement in accordance with the investment in high-end lifestyle resort on Island 3 of Project CROSSROADS (the "Project") with our strategic partner - Wai Eco World Developer Pte. Ltd. (EWD) - a conglomerate business partner from the Republic of Union of Myanmar who invests in various businesses including property, mining automotive, manufacturing and food & beverage. A resort on Island 3 of CROSSROADS project is composed of 80 villas with the price point of \$900-\$1,000 per night. We expect to start construction in 2020 and commercially open by 2022. 50% of share transfer of the joint venture company - Prime Location Management 3 Ltd. - has been completed on February 19, 2020

Discussion of results of operations: Year 2018 and Year 2019

	Year 2018		Year 2019		Change	
	THB million	%	THB million	%	THB million	%
Revenue from services	2,575.7	100.0%	3,818.1	100.0%	1,242.4	48.2%
Costs of services	(1,469.3)	(57.0%)	(2,490.4)	(65.2%)	(1,021.1)	69.5%
Gross profit	1,106.4	43.0%	1,327.7	34.8%	221.3	20.0%
Selling expenses	(239.0)	(9.3%)	(366.3)	(9.6%)	(127.3)	(53.3%)
Administrative expenses	(663.1)	(25.7%)	(1,083.8)	(28.4%)	(420.7)	(63.5%)
Other income	489.6	(19.0%)	199.8	(5.2%)	(289.8)	(59.2%)
Share of profit (loss) from investment in an associate and joint ventures	83.6	(3.2%)	20.2	0.5%	(63.3)	(75.8%)
Finance costs (Interest expenses)	(292.7)	(11.4%)	(424.6)	(11.1%)	(132.0)	45.1%
Finance costs - Loans for projects	(175.0)	(6.8%)	(251.8)	(6.6%)	(76.8)	(43.9%)
Finance costs - Loans from related parties	(117.7)	(4.6%)	(172.8) ¹	(4.5%)	(55.1)	46.8%
Profit (loss) before income taxes	484.8	18.8%	(327.0)	(8.6%)	(811.8)	(167.5%)
Income tax expenses	(34.7)	(1.3%)	(139.8)	(3.7%)	(105.1)	302.9%
Profit (loss) of the year	450.1	17.5%	(466.9)	(12.2%)	(916.9)	(203.7%)
<i>Adjusted items</i>						
Net unrealized loss on exchange rate	-	-	39.2	1.0%	39.2	-
Non-recurring items ²	(138.7)	(5.4%)	329.3	8.6%	467.9	(337.5%)
Adjusted EBITDA ³	997.0	38.7%	1,132.5	29.7%	135.6	13.6%
Adjusted Net Profit of the year after	311.4	12.1%	(98.4)	(2.6%)	(490.8)	(131.6%)

¹ On November 8, 2019, the Company repaid a related party loan utilized in the acquisition of Outrigger Hotels in 2018 and other projects during the past year

² Non-recurring items is defined as realized gains on exchange rate, expenses relating to the Combined Offering, pre-operation expenses for Project CROSSROADS Phase 1 comprise expenses incurred in preparing for the opening of Project CROSSROADS Phase 1 that was not recorded as capital expenditure, Tax liabilities, Deferred tax adjustment and expenses relating to employee benefits

³ Adjusted EBITDA is calculated from EBT plus Finance cost, Depreciation and Amortization, Interest income from Loan to JVs and deduct Interest income, unrealized loss from exchange rates and non-recurring items

OVERVIEW

The Company is a holding company engaging in the management of hotels and investments in international hotel companies. Over the past four fiscal years, the Company's consolidated total assets has grown at an average rate of 69.7% per year. The Company has a unique portfolio of hotels in desirable global holiday destinations, as follows

- (1) 2 self-manage hotels in Thailand, operate under independent branding, namely, Phi Phi Island Village Beach Resort located on beachfront of Phi Phi Don Island in Krabi and Santiburi Hotel located on beachfront of Koh Samui in Surat Thani **"Self-Managed Hotels"**;
- (2) 6 hotels operate under the Outrigger brand and manage under hotel management agreements, which consists of two hotels in Thailand, two hotels in the Republic of Fiji, one hotel in the Republic of Maldives and one hotel in the Republic of Mauritius **"Outrigger Hotels"**;

- (3) 2 upper upscale successfully developed hotels, as part of Project CROSSROADS Phase 1 in the Emboodhoo lagoon in the Republic of Maldives, consists of two islands undergoing development, (i) SAIi Lagoon Maldives, Curio Collection by Hilton and (ii) Hard Rock Hotel Maldives **"Project CROSSROADS Phase 1 Hotels"**; and

- (4) 29 upper midscale hotels operate under the Mercure and Holiday Inn brands in the United Kingdom, of which the Company holds 50% in an equal joint venture **"UK Portfolio Hotels"**.

Results for the UK Portfolio, operating under a joint venture, are not consolidated within the Company's hospitality business, and are instead accounted for using the equity method, pursuant to which the Company receives a share of profit or loss from the investment in the joint ventures.

As of December 31, 2019, the Self-Managed Hotels, Outrigger Hotels, UK Portfolio Hotels and Project CROSSROADS Phase 1 are comprised with the total of 39 hotels and 4,647 rooms,

Revenue from services

(Unit: THB Million)	2018	%	2019	%
Self-Managed Hotels	1,099.0	42.7%	995.1	26.1%
Outrigger Hotels	1,476.7	57.3%	2,443.9	64.0%
Project CROSSROADS Phase 1 Hotels	-	-	379.1	9.9%
Total revenue from services	2,575.7	100.0%	3,818.1	100.0%

Room revenue

The room revenue increased by 43.1% from the year 2018 to THB 2,197.1 million for the year 2019, primarily as a result of realization of the revenue from Outrigger Hotels which was acquired on June 12, 2018 and from the commercial opening of 2 hotels in Project CROSSROADS Phase 1.

Self-Managed Hotels

Indicators	2018	2019	% change
No. of Hotels	2	2	-
No. of Keys ⁽¹⁾	291	297	2.1%
Average Occupancy Rate (%) ⁽¹⁾	76.1	71.9	(4.2%)
ADR (THB)	8,415	7,777	(7.6%)
RevPAR (THB)	6,401	5,591	(12.7%)

Note

⁽¹⁾ Based on the weighted average number of keys for the year. In particular, the Company added 19 newly built pool villas to Santiburi Koh Samui in May 2018, thereby increasing the number of keys in Santiburi Koh Samui from 77 keys to 96 keys

In relation to the Self-Managed Hotels, the RevPAR, Average Occupancy Rate, and ADR for the year 2019 was THB 5,591, 71.9%, and THB 7,777 respectively. The changes was primarily due to impact of the economic slowdown, Thai Baht appreciation and competition in Samui market.

Outrigger Hotels ⁽²⁾

Indicators	2018	2019	% change
No. of Hotels	6	6	-
No. of Keys ⁽²⁾	859	859	-
Average Occupancy Rate (%)	78.5	78.3	(0.2%)
ADR (THB) ⁽³⁾	6,303	5,987	(5.0%)
RevPAR (THB) ⁽³⁾	4,947	4,691	(5.2%)

Note

⁽²⁾ The Company acquired the Outrigger Hotels on June 12, 2018

⁽³⁾ Reference exchange rate of 2018: 32.89THB/USD, 15.52THB/FJD, 0.95THB/MUR
Reference exchange rate of 2019: 31.05THB/USD, 14.41THB/FJD, 0.87THB/MUR

In relation to the Outrigger Hotels, the RevPAR, Average Occupancy Rate, and ADR for the year 2019 was THB 4,691, 78.3%, and THB 5,987 respectively. The changes was primarily due to the decrease in Average Occupancy Rate of Castaway Island, Fiji Resort and lower ADR of Outrigger Koh Samui Beach Resort from competition in Samui market.

Project CROSSROADS Phase 1 Hotels ⁽⁴⁾

Indicators	2018	2019	% change
No. of Hotels	-	2	-
No. of Keys	-	376	-
Average Occupancy Rate (%)	-	33.9	-
ADR (THB) ⁽⁵⁾	-	12,572	-
RevPAR (THB) ⁽⁵⁾	-	4,262	-

Note

⁽⁴⁾ Start commenced its commercial operation on 1 September 2019

⁽⁵⁾ Reference exchange rate of 2019: 31.05THB/USD

In relation to the Project CROSSROADS Phase 1 Hotels, the RevPAR, Average Occupancy Rate, and ADR for the year 2019 was THB 4,262, 33.9%, and THB 12,572 respectively.

UK Portfolio Hotels

Indicators	2018	2019	% change
No. of Hotels	29	29	-
No. of Keys	3,115	3,115	-
Average Occupancy Rate (%)	71.5	69.5	(2.0%)
ADR (THB) ⁽⁶⁾	2,752	2,665	(3.2%)
RevPAR (THB) ⁽⁶⁾	1,968	1,851	(5.9%)

Note

⁽⁶⁾ Reference exchange rate of 2018: 41.07THB/GBP
Reference exchange rate of 2019: 39.65THB/GBP

In relation to the UK Portfolio hotels, the RevPAR, Average Occupancy Rate, and ADR for the year 2019 was THB 1,851, 69.5%, and THB 2,665 respectively. The changes was primarily due to impact of the economic slowdown of UK.

FOOD AND BEVERAGE REVENUE

The food and beverage revenue increased by 49.1% from the year 2018 to THB 1,140.9 million for the year 2019, primarily as a result of realization of the revenue from Outrigger Hotels and from the commercial opening of two hotels in Project CROSSROADS Phase 1.

OTHER REVENUE

The other revenue increased by 74.4% from the year 2018 to THB 480.1 million for the year 2019, primarily as a result of realization of the revenue from Outrigger Hotels and from the commercial opening of two hotels in Project CROSSROADS Phase 1.

COSTS OF SERVICES

The costs of services increased by 69.5% from the year 2018 to THB 2,490.4 million for the year 2019. The increase in costs of services was largely consistent with the increase in revenues from the acquisition of the Outrigger Hotels in June 2018 and from the opening Project CROSSROADS Phase 1 Hotels. The Cost of services for the Project CROSSROADS Phase 1 consists of costs relating to hotel rooms, food and beverage costs and depreciation.

GROSS PROFIT

Gross profit increased by 20.0% from the year 2018 to THB 1,327.7 million for the year 2019, which is consistent with the increase in the revenue from services.

SELLING EXPENSES

The selling expenses was THB 366.3 million for the year 2019, which increased 53.3% compared to the period of the year 2018. The increase was primarily attributable to selling expenses incurred in relation to the Outrigger Hotels and the Project CROSSROADS Phase 1.

ADMINISTRATIVE EXPENSES

The administrative expenses was THB 1,083.8 million for the year 2019, which increased 63.5% compare to the period of the year 2018. The increase of administrative expenses was primarily attributable to administrative expenses incurred in relation to the Outrigger Hotels and the employee expenses, administrative expenses in relation to Project CROSSROADS Phase 1. In addition, there are non-recurring items that consist of expenses related to the

Company's securities offering, and expenses for Pre-operation of Project CROSSROADS Phase 1, and costs related to employee benefits in total amounted to THB 287.5 million.

FINANCIAL COSTS (INTEREST EXPENSES)

The financial costs was THB 424.6 million for the year 2019, which increased 45.1% compared to the period of the year 2018. In this regard, financial costs are divided into two types, namely financial costs for project loans of THB 251.8 million and financial costs for loans from related parties of THB 172.8 million which was repaid on November 8, 2019.

OTHER INCOME

The other income was THB 199.8 million for the year 2019, consisting of interest income from loans to joint ventures amounted to THB 112.0 million, other income, realized gains in exchange rate and Project CROSSROADS management fee amounted to THB 87.8 million.

The other income was THB 489.6 million for the year 2018, consisting of interest income from loans to joint ventures amounted to THB 119.7 million, other income and realized gains in exchange rate amounted to THB 369.9 million.

SHARE OF PROFIT (LOSS) FROM AN ASSOCIATE AND JOINT VENTURES

The share of profit from an associate and joint ventures was THB 20.2 million, which decreased THB 63.3 million compared to the period of the year 2018. The decrease was primarily due to the performance from joint ventures that invested in UK portfolio.

ADJUSTED EBITDA

Adjusted EBITDA increased 9.4% from the year 2018 to THB 1,132.5 million for the year 2019, primarily due to the acquisition of the Outrigger Hotels in June 12, 2018 and from the commercial opening of two hotels in Project CROSSROADS Phase 1.

PROFIT (LOSS) FOR THE PERIOD

For the year 2019, the Company had a profit (loss) of THB (466.9) million due to the one-off item of expenses. The adjusted profit (loss) for the period equal to THB (98.4) million.

ANALYSIS OF FINANCIAL POSITION AND INVESTMENT STRUCTURE

The total assets as of December 31, 2019 was THB 29,161.6 million increased from THB 4,772.0 million as of December 31, 2018, which consists of THB 5,126.6 million of total current assets and THB 24,035.0 million of total non-current asset. The total liabilities was THB 11,238.9 million, which consists of interest bearing debt in amount of THB 7,847.5 million. In 2019, the Company withdrew additional loans from financial institutions for the development of the Project CROSSROADS Phase 1, resulting in increased of Loan from financial institutions.

On November 8, 2019, the Company received payment from the capital increase totaling THB 7,474.7 million, which was used to repay loans from the related parties. Resulting in the ratio of interest-bearing debt to equity significantly decreased from 0.8 times to 0.4 times.

	31 December 18 (THB million)	31 December 19 (THB million)	Change	
			THB million	%
Cash and cash equivalents	1,892.9	3,591.6	1,698.7	89.7%
Total current assets	2,962.9	5,126.6	2,163.7	73.0%
Property, plant and equipments, net	16,321.5	18,768.6	2,447.1	15.0%
Total non-current assets	21,427.7	24,035.0	2,607.3	12.2%
Total assets	24,389.6	29,161.6	4,772.0	19.6%
Total interest-bearing debt	10,030.2	7,847.5	(2,182.7)	(21.8%)
Loan from related parties	5,295.8	-	(5,295.8)	(100.0%)
Loan from financial institutions	4,734.4	7,847.5	3,113.1	65.8%
Other liabilities	2,375.7	3,391.3	1,015.6	42.8%
Total liabilities	12,405.9	11,238.9	(1,167.0)	(9.4%)
Total equity	11,983.7	17,922.8	5,939.1	49.6%
Interest-bearing debt to equity (times)	0.8	0.4	(0.4)	(45.3%)



NATURE OF BUSINESS



Since our establishment in 2014 with two properties in Thailand with a total of 227 rooms, and up to 2019, we have successfully grown by a CAGR of 82.9% (in terms of total number of keys) to a total of 39 properties and over 4,647 rooms in 5 different countries. This has been driven by our established track record of growth from acquisitions, developments and asset enhancement initiatives through disciplined capital management and proven ability of having access to domestic and international capitals. We have a highly experienced and forward-looking senior management team and board of directors with strong and committed support from Singha Estate Group as its hospitality business flagship company.

In 2014, through Singha Estate, we acquired our first hotel assets, namely the luxury resort Santiburi Koh Samui with 71 villas and upscale resort Phi Phi Island Village Beach Resort with 156 bungalows in Thailand.

In 2015, we added six grand deluxe pool villas in Santiburi Koh Samui. Our portfolio grew in 2015 with the acquisition of a 50% equity stake in the Jupiter Group through a joint venture with FICO UK. The Jupiter Group's hotel portfolio consists of 26 upper midscale Mercure branded hotels.

In 2016, we acquired the Hotelier Group Limited through a 50%/50% joint venture with FICO UK. The Hotelier Group's hotel portfolio consists of three upper midscale hotels, two under the Holiday Inn brand and one under the Mercure brand. In the same year, we renovated 110 bungalows (standard) and all restaurants at Phi Phi Island Village Beach Resort.

In 2018, we acquired the leasehold over the land in Project CROSSROADS Phase 1. In the same year, we expanded our operations in Thailand and into the Republic of Maldives, Republic of Fiji and Republic of Mauritius through the acquisition of six hotel properties managed by the Outrigger Hotel Group. We commenced development and construction of Project CROSSROADS Phase 1. This project comprises the development and operations of two internationally branded hotels, The Marina @ CROSSROADS, and another reclaimed island where a new hotel will be developed. We also added 19 newly built grand reserve pool villas to Santiburi Koh Samui.

In September 1, 2019, we fully commenced operations at two hotels in the Republic of Maldives as part of Project CROSSROADS Phase 1, namely SAii Lagoon Maldives, Curio Collection by Hilton and Hard Rock Hotel Maldives.

POLICY AND OVERVIEW OF BUSINESS

We are a fast-growing holding company that engages in the management of hotels and investments in international hotel companies with continuous growth of assets.

The Company has flexible management policies to suit its investment policy as seen in various business platforms of the current assets in which the Company has been investing. Not only flexibility in management lets the Company utilise its resources to the most efficiency, it also increases the Company's opportunities to invest. The Company has four types of business platforms as follows:

1 Self-managed hotels with own management and operation under its own brand.

Mostly the Company uses this platform with hotels that the Company already has great familiarity with the management, property, customers, competition and location of an asset.

2 Self-managed hotels with Franchise Agreement.

The Company increases the accessibility to marketing channels through established well-known brands which will quickly raise awareness of the hotels under the management system familiar to the Company.

3 Hotels managed under Third Party Hotel Management Agreement.

The Company appoints third-party management operators to manage hotels possessed by the Company and pays management fees as remuneration. The benefits of this platform is that most of these management operators are internationally renowned, which promotes good brand image for our assets. These operators have thorough understanding about their customers and property location. Another benefit of this platform is that the Company spends least resources to manage this type of assets.

4 Hotels managed under Management Inducement Program.

This is the platform that the Company aims to acquire more in the future. Management fees are remunerated to the Company for our management operation. The Company may offer investment to revamp the image of the assets in various forms such as a loan, investment from shareholders, or as agreed by both parties, in order to develop the image of a particular hotel according to the standard of the Company's own brand. These forms of investment are offered in exchange for the returns from investment and long-term hotel management contracts for the Company.

The Company categorises its assets according to different business platforms as follows:

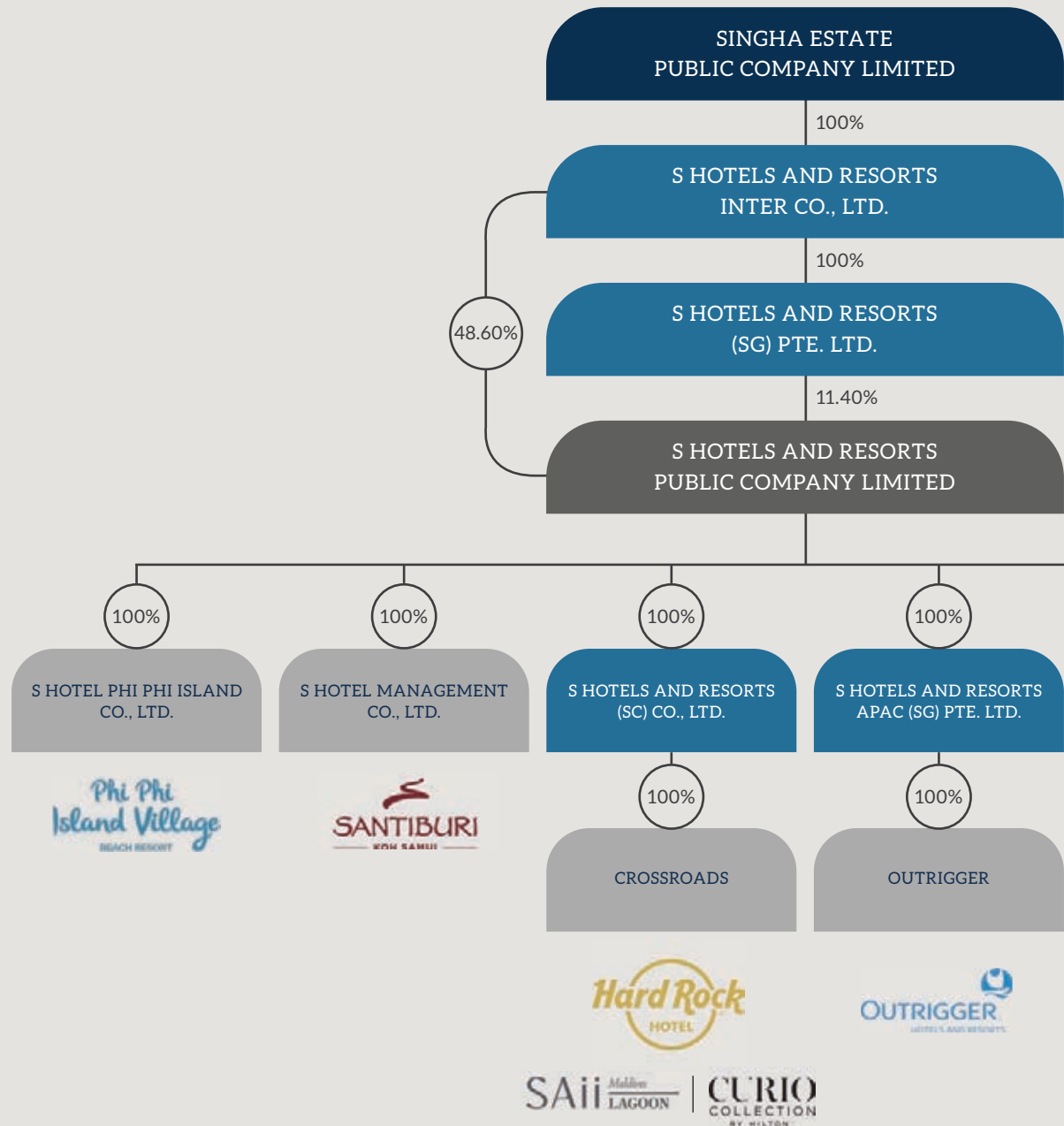
- 1) **"Self-Managed Hotels"** are the hotels that the Company manages and operates under its own brands which include Phi Phi Island Village Beach Resort and Santiburi Koh Samui.
- 2) **"Outrigger Hotels"** is a group of six hotels under the brand Outrigger. The Company manages these hotels under hotel management contracts.
- 3) **"CROSSROADS Project Phase 1 Hotels"** is a hotel development project on Islands 3, located in the Republic

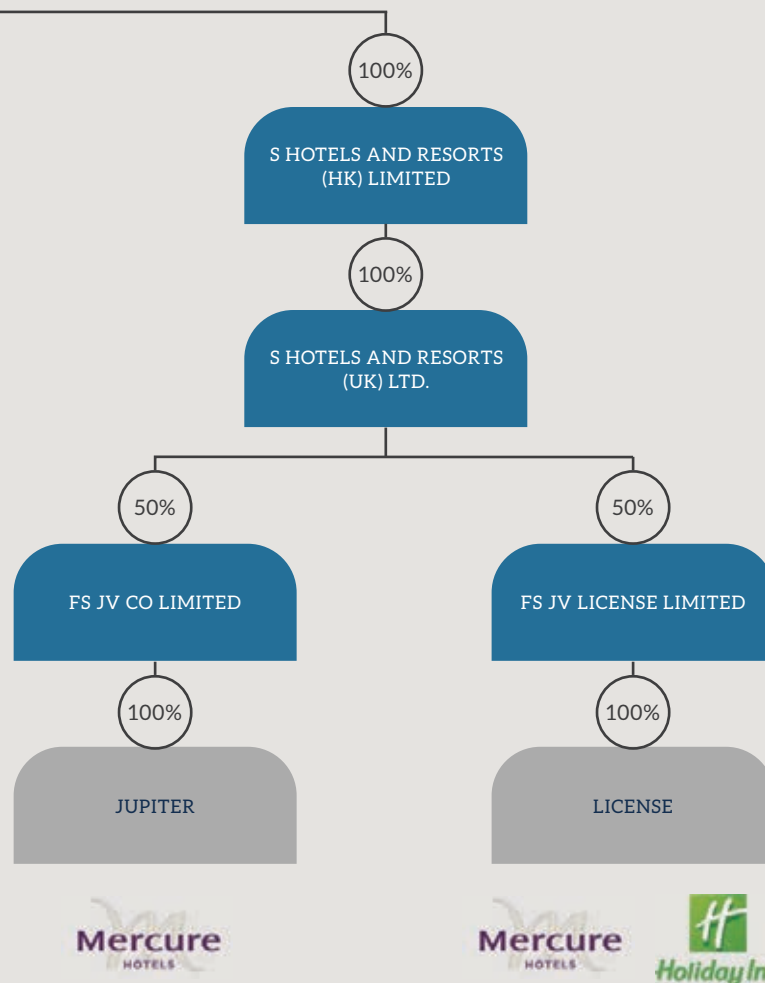
of Maldives. At the present the CROSSROADS Project Phase 1 consists of two hotels in operation, namely SAii Lagoon Maldives, Curio Collection by Hilton and Hard Rock Hotel Maldives. The Company manages and operates under franchise agreements. The Company also manages an entertainment and recreation complex in The Marina @ CROSSROADS and an island currently under development to be a high-end lifestyle resort.

- 4) **"UK Portfolio Hotels"** are a group of 29 hotels in the United Kingdom under the brands Mercure and Holiday Inn. The Company holds 50 percent of the investment in the joint venture that owns these hotels.

	Self-Managed Hotels		Outrigger Hotels	CROSSROADS Project Phase 1		UK Portfolio Hotels
Hotel name/ brand	Phi Phi Island Village Beach Resort	Santiburi Koh Samui	Outrigger	SAii Lagoon Maldives, Curio Collection by Hilton	Hard Rock Hotel Maldives	Mercure and Holiday Inn
Number of hotel(s)	1	1	6	1	1	29
Number of rooms(s)	201	96	859	198	178	3,115
Business platform	Self-Managed	Self-Managed	Third Party Management Agreement	Franchise Agreement	Franchise Agreement	Franchise Agreement
Scale	Upscale	Luxury	Upper Upscale	Upper Upscale	Upper Upscale	Upper Mid-Scale
Hotel type	Resort	Resort	Resort	Resort	Resort	Hotel

CORPORATE STRUCTURE





KEY BUSINESS SEGMENTS

39

Total of
Resorts / Hotels

5

Countries

7

Brands

4,647

Total of Keys



Mercure
🔑 2,964



Holiday Inn
🔑 151



SAii Lagoon Maldives,
Curio Collection by Hilton
🔑 198



Hard Rock Hotel Maldives
🔑 178



Outrigger Mauritius
Beach Resort
🔑 181

Note: Core portfolio excludes Holiday Inn and Mercure hotels in the UK which are held through a 50% stake in our equal joint venture with FICO UK.
(1) Includes Self-Managed Hotels under franchise agreement(s).



**Outrigger Laguna
Phuket Beach Resort**
0 255



Outrigger Koh Samui Beach Resort
0 52



Phi Phi Island Village Beach Resort
0 201



Santiburi Koh Samui
0 96



Outrigger Fiji Beach Resort
0 253



Castaway Island, Fiji
0 65



**Outrigger Konotta
Maldives Resort**
0 53

- 0 Outrigger Hotels
- 0 Self-Managed Hotels ⁽¹⁾
- 0 UK Hotels
- 0 Total of keys

REVENUE STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES

Type of Business/Operated by	2017		2018		2019	
	THB million	%	THB million	%	THB million	%
Total Revenue from services	1,074	83.28%	2,576	81.80%	3,818	94.55%
Room Revenue	663	51.40%	1,535	48.75%	2,197	54.41%
F&B Revenue	255	19.76%	765	24.30%	1,141	28.25%
Other Revenue	156	12.13%	275	8.74%	480	11.89%
Other incomes	159	12.36%	490	15.55%	200	4.95%
Other incomes	31	2.42%	103	3.26%	51	1.26%
Interest income	128	9.94%	144	4.57%	120	2.97%
Gain (loss) from fx	0	0.00%	243	7.71%	29	0.72%
Share of profit (loss) from investment in joint venture	56	4.36%	84	2.65%	20	0.50%
Total revenues	1,290	100.00%	3,149	100.00%	4,038	100.00%



OUR PROJECTS AS OF 2019



S Hotels and Resorts Public Company Limited is a premier international hospitality management and hotel investment company focusing on business expansion and investment or joint investment in businesses or assets with high growth potential that sets new standards for the quality of leisure and lifestyle to provide accessible and affordable luxury, based upon a philosophy of sustainable development and benefits for the local community.

The continuous investment and expansion of the business at the end of 2019 resulted in the company possessing 39 hotels in operation in Thailand and other countries under the management of the company subsidiaries in which the company has a 99.99% shareholding, and a joint venture with the following details:



SANTIBURI KOH SAMUI

The 5-star resort, which has been well-known to tourists for over 20 years, is the first hotel business which Singha Estate acquired in 2014. The company entered into a contract with Singha Estate for rent of land and buildings of Santiburi Koh Samui. In 2018, the company completed the construction of 19 additional Pool Villa rooms and opened in May 2018, resulting in the total number of keys increasing from 77 to 96 keys in order to accommodate the ever-growing demands.



Location

Koh Samui, Mae Nam
Sub-district, Koh Samui District,
Surat Thani Province.

Area

56-3-93 rai (The Company has a
leasehold right to land ending in 2048
with the right to renew the contract
2 times, each time for 30 years).

Description

5-star resort on a secluded beach
(more than 300 meters long) with full
facilities, including a large swimming
pool, restaurants, beach facility,
spa centre, fitness centre, and water
sport activity centre.



★ Awards

2019

- Thailand Greenhouse Gas Management Organization - 'Carbon Neutral' Certificate
- Holiday Check Award - One of the most popular hotels worldwide
- TripAdvisor Award - Top 25 Luxury Hotels in Thailand

2018

- Luxury Lifestyle Award - Symbol of Excellence
- Smart Travel Asia - Best Top 25 Family & Wellbeing Resort in Asia
- TripAdvisor Award
- Holiday Check Award
- Expedia - Top 5 Most Improved Hotel Partner

2016

- Booking.com - Guest Review Award
- World Luxury Hotel Award
- Gold Thai Spa World Class by Ministry of Public Health

Room type	Average size (sq. m.)	No. of keys
One Bedroom Duplex Suite	55	8
Two Bedroom Duplex Suite	91	4
Deluxe Garden Villa	60	10
Grand Deluxe Garden Villa	65	20
Grand Deluxe Garden Villa with Plunge Pool	115	12
Deluxe Pool Villa	136	4
Grand Reserve Pool Villa	250	19
Grand Deluxe Pool Villa	285	6
Deluxe Beachfront Villa	65	7
Deluxe Beachfront Villa with Plunge Pool	121	4
Two Bedroom Grand Deluxe Beachfront Villa	176	1
Two Bedroom Grand Deluxe Beachfront Villa with Private Pool	195	1
Total		96

Number of keys

96 keys, villas and pool villas including suites.

Target group

● ● High-end and experiential global travelers, honeymooners, families, MICE groups, destination wedding groups.

PHI PHI ISLAND VILLAGE BEACH RESORT

This 4-star resort which the company acquired in November 2014 has been well-known to tourists and divers for over 20 years. The hotel was renovated in accordance with the Value Enhancement Project followed by the construction of 45 additional bungalows, second swimming pool and the improvement of facility systems which were completed and opened for operation in 2015, as well as the refurbishment of all existing rooms to increase the competitiveness and support growing tourist demand . All of these were completed in 2016.



Location

Phi Phi Don Island, Ao Nang
Sub-district, Mueang Krabi District,
Krabi Province.

Area

167-1-42 rai (The Company holds
the ownership of the land).

Description

4-star resort on a secluded beach
about 800 meters long, complete with
facilities including 2 large swimming
pools, a beach restaurant and spa
centre.



Room type	Average size (sq. m.)	No. of keys
Superior Bungalow Double	35	60
Superior Bungalow Twin	35	12
Deluxe Garden Double	38	39
Deluxe Garden Twin	38	5
Deluxe Bungalow Double	59	36
Deluxe Bungalow Twin	59	1
Deluxe Connecting Double	51	5
Deluxe Connecting Twin	51	5
Deluxe Seaview Double	59	11
Deluxe Seaview Twin	59	1
Beachfront Junior Suite	79	14
Hillside Pool Villa	110	12
Total		201

Number of keys

201 private villas consisting of bungalows suites and villas.

Target group



Experiential global travelers, honeymooners, destination wedding groups



Awards

2019

- Green Hotel Award - Gold Level
- Thai Hotels Association - Plastic Free Resort
- Tripadvisor Hall of fame
- Recommended hotels on HolidayCheck
- Expedia Top 4 Star Hotel Partner
- Hotels.com Loved by Guest Award - guests rating 8.9
- Plaque of Recognition of Business & Biodiversity Check from GDF (Global Nature Fund) and BEDO (Biodiversity - Based Economy Development Office)
- Tripadvisor - Certificate of Excellence 2013 - 2019

2018

- Green Leaf Foundation - Recognition of '3 Leaves'
- Hotels.com - Loved by Guests Most Wanted Award
- Agoda - Guest Review Award
- Ctrip - Best Resort in Krabi Award

2017

- Agoda - Gold Circle Award Winner
- Expedia - Top 4 Stars Hotel Partner Wine 2017 - 2018
- Booking.com - Guest Review Award

2016

- Ctrip - Top Performance Award

OUTRIGGER PORTFOLIO (6 HOTELS)

Outrigger Group has over 70 years of experience managing hotels and resorts, expanding services from Hawaii to top tourist destinations including the Republic of Fiji, Thailand, the Republic of Mauritius, and the Republic of Maldives. Outrigger Group owns various brands of hotels and resorts such as Outrigger Resorts, OHANA Hotels by Outrigger, and Hawaii Vacation Condos by Outrigger.

On June 12, 2018, the company successfully invested in the assets of Outrigger, a total of 6 resorts in 4 countries namely (1) Outrigger Fiji Beach Resort, Republic of Fiji (2) Castaway Island, Fiji, Republic of Fiji, (3) Outrigger Laguna Phuket Beach Resort, Thailand (4) Outrigger Koh Samui Beach Resort, Thailand (5) Outrigger Mauritius Beach Resort, Republic of Mauritius, and (6) Outrigger Konotta Maldives Resort, Republic of Maldives, with details as follows:

OUTRIGGER FIJI BEACH RESORT

4.5-star resort located on the coast of Viti Levu Island in the Republic of Fiji, surrounded by palm trees and over 40 acres of lush landscapes, adjacent to the coral reefs of the Republic of Fiji's Coral Coast which have been famous among tourists and divers for a long time.



Location

Sydney Drive, Off the Queens Highway, Sigatoka, Republic of Fiji.

Area

967-1-25 rai (The Company holds the ownership of the land).

Description

4.5-star resort on a private beach with complete facilities including 2 large swimming pools, a beachfront restaurant, kids club, tennis court and spa centre.



Room type	Average size (sq. m.)	No. of keys
Resort View Room	47	71
Ocean View Room	47	127
Plantation Bure	50	28
Ocean Breeze Bure	50	7
One Bedroom Suite	87	8
Plantation Family Bure	120	5
Beachfront Bure	50	7
Total		253

Number of keys

253 keys consisting of deluxe suites and bungalow-style private villas (Bures).

Target group

● ● ● Experiential or high-end leisure travelers.



Awards

2018

- Holiday with Kids - Number 1 Family Resort Destination in Fiji
- HM Awards Australia - Best Fiji Property
- Pevonia - Spa Excellence in Customer Service Awards
- Fiji Human Resources Institute Awards 2018 - HR Executive of the Year, Learning and Development Programme of the Year
- Health & Safety Well Being Programme of the Year,
- HR Practitioner of the Year and Rising Star of the Year

2017

- Fiji Excellence in Tourism Awards - Best Deluxe Accommodation
- Holiday with Kids - Number 1 Family Resort Destination in Fiji
- HM Awards Australia - Best Fiji Property, Pevonia Awards - Best Spa Design

2016

- Fiji Excellence in Tourism Awards - Best Visitor Dining Experience for Ivi restaurant
- Fiji Excellence in Tourism Awards - Best Deluxe Accommodation
- Out & About With Kids - Best Family Resort in Fiji
- Pevonia Awards - Best Spa Design

CASTAWAY ISLAND, FIJI

5-star resort located on Qalito Island, with privacy, surrounded by white sand beaches, coral reefs, and clear water. The island is part of the Mamanuca archipelago, about 30 kilometres from the mainland, well-known for tourists and divers. It has received numerous tourism Awards.



Location

Castaway (Qalito) Island,
Republic of Fiji.

Area

183-2-39 rai (The Company owns
a leasehold right to land ending in
2082).

Description:

5-star resort with private beach and
complete facilities including 2 large
swimming pools, a beach restaurant,
spa centre and water sport
activity & diving centre.



Room type	Average size (sq. m.)	No. of keys
Island Bure	47	26
Ocean Bure	47	15
Beach Bure	47	23
Grand Bure	224	1
Total		65

Number of keys

65 keys consisting of bungalow-style private villas.

Target group



Experiential and high-end leisure travelers.



Awards

2018

- HM Awards - Hotel and Accommodation Excellence (Fijian Property Finalist)
- Holiday with Kids - Number 1 Family Resort in Fiji (from upscale level downward)

2017

- Holiday with Kids - Top 10 Readers' Choice Awards
- Outrigger Hotels & Resorts - Property of the Year
- Out & About with Kids - Finalist for Best Family Resort in Fiji

2016

Fiji Excellence in Tourism Awards - Finalist for Best Deluxe Accommodation

2015

- Fiji Excellence in Tourism Awards - Best Restaurant for Restaurant 1808
- Fiji Excellence in Tourism Awards - Best Deluxe Accommodation
- Holiday with Kids - Number 1 Family Resorts I Fiji
- Out & About with Kids - Best Family Resort in the Pacific Islands (Finalist)

2014

- Holiday with Kids - Top 10 family resorts for Australians
- Fiji Excellence in Tourism Awards - Best Restaurant for 1808
- Out & About with Kids - Best Family Resort in the Pacific Islands (Finalist)

OUTRIGGER LAGUNA PHUKET BEACH RESORT

The 4.5-star resort next to Bang Tao Beach is one of the resorts located in the area of Laguna Phuket Group, which has been well known by tourists for a long time. Suitable for tourists travelling as a family.



Location

Bang Tao Beach, Bang Tao/Laguna, Phuket Province, Thailand.

Area

52-1-20 rai (The Company holds the ownership of the land).

Description

4.5-star resort on a secluded beach with complete facilities including a large swimming pool, restaurant, game room, tennis court and spa centre.



Room type	Average size (sq. m.)	No. of keys
Lagoon View	43	109
Ocean View Balcony	43	20
Ocean View Terrace	43	17
Oceanfront Balcony	43	9
Oceanfront Terrace	43	9
Club Lagoon View	54	54
Club Ocean View	54	19
Club Oceanfront	54	9
One Bedroom Suite Lagoon	104	2
One Bedroom Suite Ocean View	104	3
One Bedroom Suite Ocean Front	104	3
Two Bedroom Suite	120	1
Total		255

Number of keys

255 keys consisting of duplexes and suites.

Target group

● ● ● Experiential and high-end leisure travelers..



Awards

2018

Thailand MICE Venue Standard Accreditation (TMVS) from Thailand Exhibition and Convention Bureau, Certificate of Excellent Service from TripAdvisor for the restaurant Metzo's

2017

- Best Resort (Service Excellence) for Asia Pacific from Travel Weekly Asia, Readers' Choice Awards
- Holiday Check - Recommended Hotels
- Certificate of Excellent Service from TripAdvisor for the restaurant Metzo's, Top Performing Hospitality Business as reviewed by travellers
- Certificate of Excellent Service from TripAdvisor for Outrigger Laguna Phuket Beach Resort - Top Performing Hospitality Business as reviewed by travellers

2016

- World Luxury Hotel Awards - Best Family Luxury Resort
- Design Et Al - International Hotel and Property Awards 2016 - Best Restaurant Within a Hotel for Metzo's
- travAlliancemedial - Travvy Award Winner - Best Family Hotel/Resort in Asia and Australia (Gold)
- China & Meetings Industry Award, Best Island Resort for MICE

OUTRIGGER KOH SAMUI BEACH RESORT

The 4.5-star resort offering an elegant escape on Hanuman Bay, with contemporary decor, privacy and perfect for relaxation. The resort is located on a secluded beach next to Hanuman bay with beautiful sea water, only 10 minutes from Koh Samui International Airport.



Location

Koh Samui, Mae Nam Sub-district,
Koh Samui District, Surat Thani
Province.

Area

12-0-0 rai (The Company owns
a leasehold right to land ending
in 2045).

Description

4.5-star resort on a 300-meter
secluded beach with full facilities
including a private pool in every
room, one large swimming pool,
beach restaurant and spa centre.



Room type	Average size (sq. m.)	No. of keys
Plunge Pool Suite	80	28
Ocean View Plunge Pool Suite	80	3
One Bedroom Pool Villa	100	18
Beachfront Plunge Pool Suite	80	3
Total		52

Number of keys

52 keys of pool suites

Target group

● ● ● Experiential and high-end
leisure travelers.

OUTRIGGER MAURITIUS BEACH RESORT

4.5-star resort in the natural reservation area of Bel Ombre, one of the top choices for tourists, with spectacular views of the Indian Ocean.



Location

Allee des Cocotiers, Bel Ombre,
Republic of Mauritius.

Area

55-1-87 rai (The Company owns
a leasehold right to the land until
the end of 2023 with the right to
refuse the first tenancy of additional
10 years for 4 times, ending in 2063).

Description

4.5-star resort on a private beach with
complete facilities including 3
swimming pools, a beachfront
restaurant, kid's club, tennis court,
spa centre, and a water sport activity
centre.



Room type	Average size (sq. m.)	No. of keys
Ocean View	63	85
Ocean View Family	74	37
Beachfront	63	34
Beachfront Family	74	4
Beachfront Junior Suite	78	18
Beachfront Senior Suite	130	2
Beachfront Villa	400	1
Total		181

Number of keys

181 keys consisting of deluxe suites and private villas.

Target group

● ● ● Experiential and high-end leisure travelers.

OUTRIGGER KONOTTA MALDIVES RESORT

A luxurious and private 5-star resort located on the Konotta Island in the Republic of Maldives. It situates on beautiful clear water and is popular with divers, located in a convenient area, 18 kilometres from Kaadedhdhoo Airport.



Location

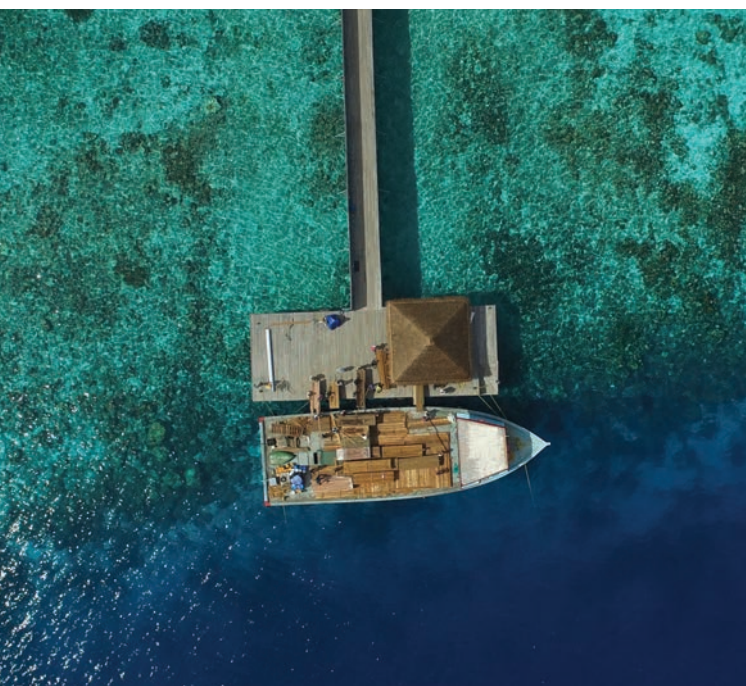
Konotta Island, South Huvadhoo, Gaafu Dhaalu Atoll, Republic of Maldives.

Area

56-0-65 rai (The Company owns a leasehold right to the land ending in 2055).

Description

5-star resort on a private island with complete facilities including 4 swimming pools, a beachfront restaurant, kid's club, spa centre and a water sport activity & diving centre.



Awards

2016

- Best Serviced Luxury Villas of World Luxury Hotel Award
- Regional Winner: Indian Ocean Islands
- Haute Grandeur - Best New Hotel, Indian-Ocean

Room type	Average size (sq. m.)	No. of keys
Beach Pool Villa	211	21
Lagoon Pool Villa	160	1
Ocean Pool Villa	225	21
Two Bedroom Beach Pool Villa	282	8
Two Bedroom Lagoon Pool Villa	230	1
Grand Konotta Villa	600	1
Total		53

Number of keys

53 keys consisting of beach pool villas, lagoon pool villas, and ocean pool villas.

Target group

● ● ● Experiential and high-end leisure travelers.

HOTELS IN THE CROSSROADS PROJECT

The CROSSROADS Project is a development project on Emboodhoo Lagoon, located in Kaafu Atoll South Male Atoll in the Republic of Maldives. The lagoon area is approximately 7 kilometres long. The total dry land from reclamation is approximately 63.51 hectares and the lagoon ecosystem is still in good conditions. Coral reefs are beautiful and have plenty of marine animals living nearby. In addition to the beautiful nature, CROSSROADS stands out from other projects in the Republic of Maldives. CROSSROADS is granted the right to develop 9 resorts and many tourist and leisure destinations (integrated tourism facilities) and is with convenient transportation just about 15 minutes from Velana International Airport by a high speed ferry.

The CROSSROADS project commenced commercial operation on September 1, 2019, consisting of 1) SAii Lagoon Maldives, Curio Collection by Hilton 2) Hard Rock Hotel Maldives 3) The Marina @ CROSSROADS and 4) Hotels in a high-end lifestyle resort style on Island 3 which is still under development (Please see more details at "Future Projects") Details of the currently operating sections are as follows:

SAii LAGOON MALDIVES, CURIO COLLECTION BY HILTON



Location

Emboodhoo Lagoon, Kaafu Atoll
South Male Atoll Republic of
Maldives.

Area

27.5 rai (The Company owns a
leasehold right to the land ending
year 2066 with additional lease right
for a period of 49 years ending
in 2115).

Description

4-star resort in CROSSROADS
Maldives Phase 1 featuring facilities
including two beachfront restaurants,
a swimming pool and direct
connectivity to The Marina Lifestyle
Complex.



Awards

2019

- Hitch Bird - Best Wedding Destination Maldives
- China's Voyage Magazine - Best Overseas Hotel Award

Room type	Average size	No. of keys (sq. m.)
Sky Room	44	76
Beach Room	44	76
Beach Villa	60	20
Overwater Villa	84	20
Two Bedroom Beach Villa	120	4
Two Bedroom Overwater Pool Villa	240	2
Total		198

Number of keys

198 keys.

Target group



Millennial mindset global experience seekers, high-end leisure travelers and MICE travelers.

HARD ROCK HOTEL MALDIVES



Location

Emboodhoo Lagoon, Kaafu Atoll
South Male Atoll Republic of
Maldives

Area

37.5 rai (The Company owns
a leasehold right to the land ending
year 2066 with additional lease right
for a period of 49 years ending
in 2115).

Description

4.5-star resort in CROSSROADS
Maldives Phase 1 featuring
a swimming pool, 3 restaurants,
kid's club, spa centre, retail shop and
direct connectivity to The Marina
Lifestyle Complex.



Awards

2019

- China's Voyage Magazine - Best Overseas Hotel Award
- Best Hotel Design Award by The Bund Magazine China - The Best Hotel Art with Cultural Value'

Room type

Average size (sq. m.)

No. of keys

Silver Sky Studio	46	32
Silver Beach Studio	46	32
Silver Family Suite with two bedrooms	107	16
Gold Beach Villa	62	20
Platinum Overwater Villa	75	37
Platinum Overwater Pool Villa	76	37
Rock Royalty Overwater Pool Villa with two bedrooms	144	3
Rock Star Villa	445	1
Total		178

Number of keys

178 keys.

Target group



Famillies, MICE travelers
and music enthusiasts.

THE MARINA @ CROSSROADS

The Marina @ CROSSROADS is the first project for entertainment and recreation in the Republic of Maldives. It consists of retail shops, entertainment halls, beach clubs, a marina, Marine Discovery Center, Marina and a Yacht Club, and a water sports and diving centre.



Location

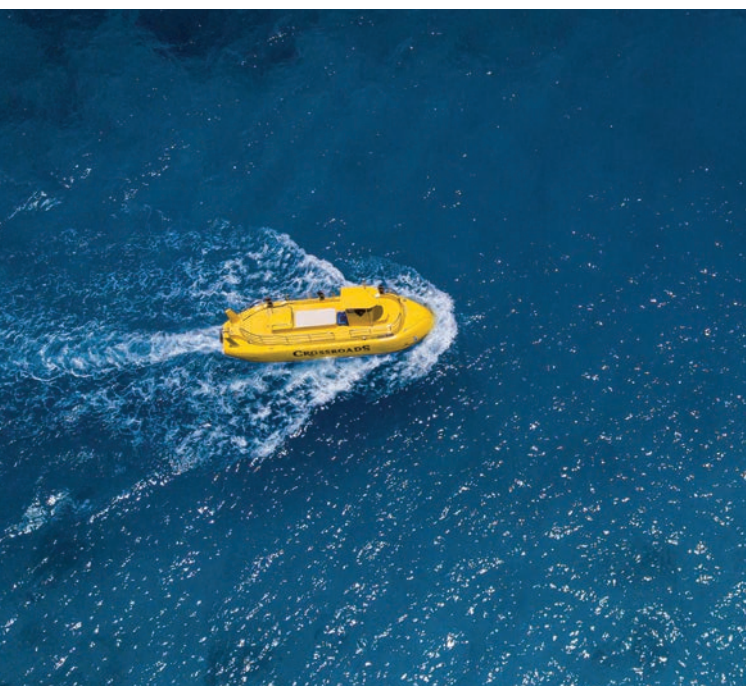
Emboodhoo Lagoon, Kaafu Atoll
South Male Atoll, Republic of
Maldives.

Area

106.5 rai (The Company owns a leasehold
right to the land ending year 2066 with
additional lease right for a period of 49
years ending in 2115).

Description

Retail shops, entertainment halls, beach
clubs, a marina, Marine Discovery
Center, Marina and a Yacht Club, and a
water sports and diving centre.



Target group

- ● ● Hotel customers, general tourists, and Maldivian tourists.

HOTELS IN THE UNITED KINGDOM

As of the end of 2019, the company operates 29 hotels in the United Kingdom (22 in England and 7 in Scotland) with a total of 3,115 keys, operated through a joint venture with a company and the company is holding 50 per cent of its shares. Each hotel is located in a location with much potential such as business centres, domestic tourist attractions and MICE centres (local conferences, seminars and banquets).

Hotels in the United Kingdom, as of December 31, 2019, are as follows:

Hotels	Rating	Address (City, Country)	Ownership	Number of Keys
Mercure Ayr	3	Ayr, Scotland	Freehold	118
Mercure Bolton Georgian House	3	Bolton, England	Freehold	91
Mercure Bradford Baskfield	3	Bingley, England	Freehold	103
Mercure Brighton Seafront	4	Brighton, England	Freehold	116
Mercure Bristol North, The Grange	4	Bristol, England	Freehold	68
Mercure Burton Upon Trent, Newton Park	3	Staffordshire, England	Freehold	50
Mercure Chester Abbots Well	4	Chester, England	Freehold	126
Mercure Edinburgh City - Princes Street	3	Edinburgh, Scotland	Leasehold (end 2038)	169
Mercure Glasgow City	3	Glasgow, Scotland	Leasehold (end 2036)	91
Mercure Gloucester, Bowden Hall	4	Gloucester, England	Freehold	72
Mercure Hull Grange Park	3	Hull, England	Freehold	100
Mercure Inverness	3	Inverness Scotland	Freehold	121
Mercure Bewdley The Heath	4	Kidderminster, England	Freehold	44
Mercure Leeds Parkway	3	Leeds, England	Freehold	118
Mercure Leicester The Grand	3	Leicester, England	Freehold	104
Mercure Livingston	3	Livingston, Scotland	Leasehold (end 2033)	120
Mercure London Watford	4	Watford, England	Freehold	218
Mercure Maidstone Great Danes	4	Maidstone, England	Freehold	126
Mercure Manchester Piccadilly	4	Manchester, England	Leasehold (end 2060)	280
Mercure Newbury Elcot Park	4	Newbury, England	Freehold	73
Mercure Norwich	4	Norwich, England	Freehold	107



Hotels	Rating	Address (City, Country)	Ownership	Number of Keys
Mercure Perth	3	Perth, Scotland	Leasehold (end 2033)	76
Mercure Swansea	3	Swansea, England	Leasehold (end 2109)	119
Mercure Tunbridge Wells	4	Tunbridge Wells, England	Freehold	84
Mercure Wetherby	3	Wetherby, England	Freehold	103
Mercure York, Fairfield Manor	4	Skelton, England	Freehold	89
Mercure Sheffield Parkway	4	Sheffield, England	Freehold	78
Holiday Inn Darlington North	3	Darlington, England	Freehold	80
Holiday Inn Dumfries	3	Dumfries, Scotland	Leasehold (end 2105)	71

FUTURE PROJECTS

In order for the Company to grow and expand its businesses according to the targets, apart from engaging in investment or joint investment, the Company also approaches with merger and acquisition of other businesses and assets with high growth potential as another main strategy. As of December 31, 2019, the Company has two development projects and unused land still under study as follows:

CROSSROADS PROJECT PHASE ONE

The company was granted the right to develop the CROSSROADS Project Phase 1 under a 50-year rent agreement counting from February 9, 2016. The Project on Island 1 and Island 2 in Phase 1 has already been finished and opened for operation. This section includes 1) SAii Lagoon Maldives, Curio Collection by Hilton 2) Hard Rock Hotel Maldives, and 3) The Marina @ CROSSROADS (please see the details in Current Projects).



As for the Project on Island 3, the Company, entered into the Joint Venture Agreement in accordance with the investment in high-end lifestyle resort with the strategic partner - Wai Eco World Developer Pte. Ltd. – a conglomerate business partner from the Republic of the Union of Myanmar who invests in various businesses including property, mining automotive and food & beverage. The Resort on Island 3 will be composed of 80 villas with price point of \$900-\$1,000 per night. The Company expects to start construction in 2020 and commercially open the resort by 2022.



OUTRIGGER LAGUNA PHUKET BEACH RESORT RENOVATION PROJECT

As the existing beachfront auditorium is suitable to be converted to accommodation, a renovation project for 24 rooms was carried out. A new multipurpose hall will be constructed to be used as an auditorium in the area nearby. The new multipurpose hall will have a total space of 1,900 square metres. It is expected to accommodate business meetings and weddings, which will help the resort's income grow in the future.



VISION AND BUSINESS STRATEGIES

VISION

Our vision is to be a premier international hospitality management and hotel investment company that sets new standards for the quality of leisure and lifestyle, based upon a philosophy of sustainable development and benefits for the local community. To that end, we aim to provide accessible and affordable luxury hotel experiences, promote collaborative partnerships and improve our corporate governance.

BUSINESS STRATEGIES

In order to achieve this vision, the Company has set strategies as follows:

1 Strategies in the acquisition and management of new assets

The Company seeks opportunities to acquire new hotels or resorts situated in popular tourist destinations which will provide good returns for the investment in favourable market conditions. The Company also considers the variety of hotels in terms of geography, market position, and customer base. The types of hotels in the Company's interests are upper upscale hotels and upper midscale hotels in a potential location which focus on accommodating experiential traveller. The Company also increases its opportunities to acquire new assets by using both domestic and international networks of Singha Estate and Boon Rawd Brewery Co., Ltd.

2 Strategies in the management of profit-making competency from assets

After business acquisition, the Company aims to increase profit-making competency from hotel operations through assets renovation, an increase in room number and facilities in a hotel. These hotel renovation plans are one of the important factors that the Company considers before making an acquisition of that particular asset or business. The increase in the profit-making competency also includes the possibility of changing from managing under a third party hotel management agreement to a franchise agreement or self-management. The Company still employs the strategy of balancing the proportion of the hotels under the Company's own management, hotels under a franchise agreement, and hotels managed by third-party operators. By benefitting from being a business partner with world-leading brands of hotels and the variety of assets the Company maximises the competency of management for sustainable growth.

3 Strategies in developing the Company's hotel management service for other companies

The Company aims to consolidate a hotel management service for other companies through hotel management agreements under the brand SAii which was developed by the Company. The Company focuses on the assets to which the Company has already been familiar especially hotels or resorts that situate in popular experiential travelling tourist destinations. This type of management is an important strategy to increase the capacity to make profit from the number of hotels managed by the Company without unnecessarily increasing the size of assets in possession, and to maintain the balance of the profits from assets owned by the Company.

The Company developed a strategy to increase the capacity of expanding the hotel management service for other companies by providing funds for the owner of the assets with expected returns in the agreed forms and rates. The purpose of providing funds is for the development and renovation of the assets and facilities according to the standards of the Company's brand.

In addition, the Company planned to establish a real estate investment trust as a way to raise fund through the purchase of the Company's or other parties' assets. The Company will earn regular hotel management fees, and also the dividends from the investment in the mentioned trust.

4 Strategies in Sustainable Development

The Company regards integrated sustainability development and social responsibility as an important aspect of the Company's business operation. The Company's principle in business operation is to maintain sustainable value for all stakeholders including nearby communities and the customers staying in the area where a hotel is located. The Company places great emphasis on the environment conservation and the support of environmental activities in the areas. The Company takes pride in having provide sustainable value to all stakeholders, in the care for the unique natural resources in any different areas in which the Company's hotels situates, and in the quality of life of local communities, because the Company believes that these activities will help every sector develop sustainably, help promote unity among communities, the environment, and local economies, and also will help create the appeal and distinctiveness of the Company's hotels.

SECURITIES AND SHAREHOLDERS

1 Capital structure

As of December 30, 2019, S Hotels and Resorts Public Company Limited was under the following capital structure:

Ordinary Shares

- Registered capital of 18,318,200,000.00 baht
Comprising 3,663,640,000 ordinary shares at par value of 5 baht per share
- Paid-up capital of 17,968,200,000.00 baht
Comprising of 3,593,640,000 ordinary shares at par value of 5 baht per share

The Company does not offer any other types of shares apart from ordinary shares.

2 Shareholder structure

The Company has the following share distribution on December 30, 2019, the XO (registration roster closing date):

Shareholders	Number of shares	% shares
Paid-up registered capital	3,593,640,000	100
Thai shareholders		
• Juristic persons	2,350,639,977	65.41
• Ordinary persons	703,675,853	19.58
Total	3,054,315,830	84.99
Foreign shareholders		
• Juristic persons	537,128,431	14.95
• Ordinary persons	2,195,739	0.06
Total	539,324,170	15.01

The top 10 shareholders on the above XO date were as follows:

No.	Name	Number of shares	% of paid-up shares
1	S Hotels and Resorts Inter Co., Ltd.	1,746,506,820	48.60
2	S Hotels and Resorts (SG) Pte. Ltd.	409,677,100	11.40
3	Thailand Securities Depository Company Limited for Depositors	41,413,300	1.15
4	Provident fund of Electricity Generating Authority of Thailand ("EGAT") for their employees, registered	36,583,400	1.02
5	Krungsri Dividend Stock LTF Open-end Fund	33,727,600	0.94
6	Phatra Dividend Stock LTF Open-end Fund	31,949,600	0.89
7	Muang Thai Life Assurance Public Company Limited	28,673,165	0.80
8	N.C.B. TRUST LIMITED-NORGES BANK 1	27,000,000	0.75
9	Social Security Office by UOB Asset Management (Thailand) Co., Ltd.	25,565,400	0.71
10	N.C.B. TRUST LIMITED-NORGES BANK 5	24,775,200	0.69
Total		2,405,871,585	66.95

Details of shareholding of the Company's directors and management are illustrated in the table "The Company's Securities Holding of Directors and Management".

Restrictions on foreign nationals' portfolio

The Company's foreign limit is 49% of the paid-up capital. On December 30, 2019, foreigners' shares accounted for 15.01%.

3 Issuance and offering of PO Warrant to the directors, executives, and employees of Singha Estate, the subsidiaries of Singha Estate, the Company, and the Company's subsidiaries

As approved by the Board of Directors' meeting and the shareholders' meeting on February 27, 2019 and April 26, 2019 respectively, the Company will prepare 70,000,000 shares for the issuance and offering of PO Warrant to the directors and employees of Singha Estate, the subsidiaries of Singha Estate, the Company, and the Company's subsidiaries. The details are as follow:

The Issuer:	S Hotels and Resorts Company Limited
Type and category of the Warrants:	The Warrants to purchase the SHR's ordinary shares to be issued and offered for sale, not only to the directors and employees of the Company and SHR, but also to directors and employees of the Company's subsidiaries and SHR's subsidiaries in accordance to SEC's requirements, registered name of the holder and non-transferrable Warrants, except for cases specified in the Warrants' terms and conditions
Term of the Warrants:	Not exceeding 2 (Two) years from the date of issuance and offering of the Warrants
Number of Warrants issued and offered shares:	Not exceeding 70,000,000 (Seventy Million) shares
Offering price per unit:	Baht 0 (Zero) per unit

Exercise ratio:	1 (One) unit of the Warrants will be entitled to purchase 1 (One) newly issued ordinary share (except for the subsequent case pursuant to the terms and condition of the adjustment rights)
Exercise periods, prices, and amount:	<p>Except for the case of adjustment rights pursuant to the terms and condition of the adjustment rights, directors, executives and employees, to whom will be allocated with the Warrants, may exercise their rights to purchase the Warrants as determined for each exercise period as the followings:</p> <ol style="list-style-type: none"> 1) During the period of 3rd month to 24th month from the date of issuance and the offering of the Warrants, the Exercise Price is at the rate of 100 (One hundred) percent of the Offering Price of the IPO with the Exercise Amount of 30 (Thirty) percent of the total Warrants allocated 2) During the period of 6th month to 24th month from the date of issuance and the offering of the Warrants, the Exercise Price is at the rate of 105 (One hundred and five) percent of the Offering Price of the IPO with the Exercise Amount of 30 (Thirty) percent of the total Warrants allocated 3) During the period of 12th month to 24th month from the date of issuance and the offering of the Warrants, the Exercise Price is at the rate of 110 (One hundred and ten) percent of the Offering Price of the IPO with the Exercise Amount of 40 (Forty) percent of the total Warrants allocated <p>Directors or employees, to whom the Warrants are allocated, may exercise their rights to purchase of shares on the last business day of each 3 (Three) month period from the date of issuance and offering of the Warrants, except for the last exercise date, which is 2 (Two) years from the date of issuance and offering of the Warrants</p> <p>In the event that any exercise date falls on the Company's holiday, it shall be on the last business day prior to such holiday</p>
Number of underlying shares:	Not exceeding 70,000,000 (Seventy Million) shares, at a PAR value of Baht 5 (Five) each, accounting for less than 2.10 (Two point one zero) percent of Paid-Up Capital of SHR, following capital increase
Allotment method:	<p>SHR will allocate the Warrants in the number of 70,000,000 (Seventy Million) units to the directors, executives and employees of the Company/ the Company's subsidiaries/SHR/SHR's subsidiaries</p> <p>The detail of the qualifications of whom will be allocated with the Warrants, the rights to purchase the Warrants, and other relevant conditions will be later considered and approved by the authorized Director of SHR and/or the person whom SHR's Board of Directors designated their power of attorney to</p>

Exercise terms and conditions:

- 1) Directors, executives or employees that are allocated the Warrants which executives and/or employees must have been appointed or employed by the Company/the Company's subsidiaries/SHR/SHR's subsidiaries for not less than 1 (One) year at the exercise date
- 2) In case where directors or employees, to whom the Warrants are allocated, deceased or become a disappearing person by a court order, an incompetent and/or a quasi-incompetent person, such allocated Warrants shall be transferred to his or her descendant pursuant to such director's or employee's will, a guardian or a curator (as the case may be) at the date of his or her decease or becoming the disappearing person by a court order, an incompetent and/or a quasi-incompetent person
- 3) In case where directors, executives or employees, to whom the Warrants are allocated, (a) retires in accordance with the rules and regulations of the Company/the Company's subsidiaries/SHR/SHR's subsidiaries, and (b) relieves from the director position by rotation, such director, such executive or such employee shall remain entitled to exercise his or her rights of such allocated Warrants

In case where directors or employees, to whom the Warrants are allocated, is transferred from a department to another department within the company or from a company to another by an approval of the Board of Directors of the Company/the Company's subsidiaries/SHR/SHR's subsidiaries (as the case maybe), while still being appointed or employed by the Company/the Company's subsidiaries/SHR/SHR's subsidiaries (as the case maybe), such director or such employee shall remain entitled to exercise his or her rights of such allocated Warrants

- 4) In case where directors or employees, to whom the Warrants are allocated, is relieved from being a director, an executives or an employee of the Company/the Company's subsidiaries/SHR/SHR's subsidiaries prior to or on the exercise date by any reason other than those mentioned in (2) and (3) above, such director, such executive or such employee shall immediately no longer be entitled to exercise his or her rights of such allocated Warrants, and such remaining non-exercised Warrants shall be cancelled and become ineffective immediately
- 5) After the last exercise date, any directors or employees, whom the Warrants are allocated, (a) has not exercised the right to purchase of shares, (b) has not fully exercised the right to purchase of shares, or (c) has not completed all the terms and conditions governing the exercise within the last exercise date, it shall be deemed that such directors or such employees waives his or her right to purchase the remaining shares and has no claim against the Company/the Company's subsidiaries/SHR/SHR's subsidiaries

Offering period:	<p>SHR will offer for sale the Warrants within 1 (One) year from the date of the approval by the shareholders meeting of SHR, and the Warrants will be fully offered for sale at one time, simultaneously with the IPO.</p> <p>The Warrants will simultaneously be fully offered in one time with offering of the IPO</p>
Period of notification of the intention to exercise the right:	To be notified in an invitation to a shareholders meeting
Expiration date of the Warrants:	To be notified in an invitation to a shareholders meeting
Secondary market of the Warrants:	None. SHR will not list the Warrants as registered securities on the SET
Secondary market of newly issued ordinary shares as a result of the exercise of right of the Warrants:	The SET
Effect on the shareholders:	<p>Control Dilution:</p> <p>Since the issuance and the offering for sale of the Warrants is issued by SHR, which is a subsidiary of the Company, thus, there is no Control Dilution to existing shareholders of the Company</p> <p>Notwithstanding, the issuance and the offering for sale of the Warrants of SHR will not exceed 2.10 (Two point one zero) percent of Paid-Up Capital of SHR, following capital increase</p> <p>Price Dilution:</p> <p>Since the issuance and the offering for sale of the Warrants is issued by SHR, which is a subsidiary of the Company, thus, there is no Price Dilution or no effect to the market price of the Company</p> <p>Additionally, the exercise prices of the Warrants will not be less than the price offering of the IPO</p>
Circumstance that necessitates the issuance of new shares to be reserved for the adjustment rights:	When the Exercise Price and the Exercise Ratio are adjusted in accordance with the terms and conditions for the adjustment rights as stated in the terms and conditions of the Warrants, provided for in Capital Market Supervisory Board's Notification No. Tor Chor. 34/2551 (as amended)
Warrant registrar:	SHR

4 Dividend policy

The Company has a policy to pay dividends of not less than 40% of the net profit under the separate financial statement, after deduction of corporate income tax, and deduction of all specified reserves under the law and as specified by the Company in each year (with additional conditions). Each year the Company set dividend payment rates which subject to operating results, financial status, liquidity, necessity of investment, additional investment, business expansion, reserves to repay loans, or as working capital within the company, conditions and restrictions as specified in loan

agreements, and other relevant factors in management as the Board and/or shareholders of the Company view as appropriate. The dividend payment will not exceed the retained profits as appeared in the Company's financial statements and will be in compliance with the related laws. After the Board approved the annual dividend payment they must propose for approval to the shareholders' meeting of the Company, except for the interim dividend payment which the Board has the power to approve the payment of dividends and report to the shareholders' meeting at the next meeting.

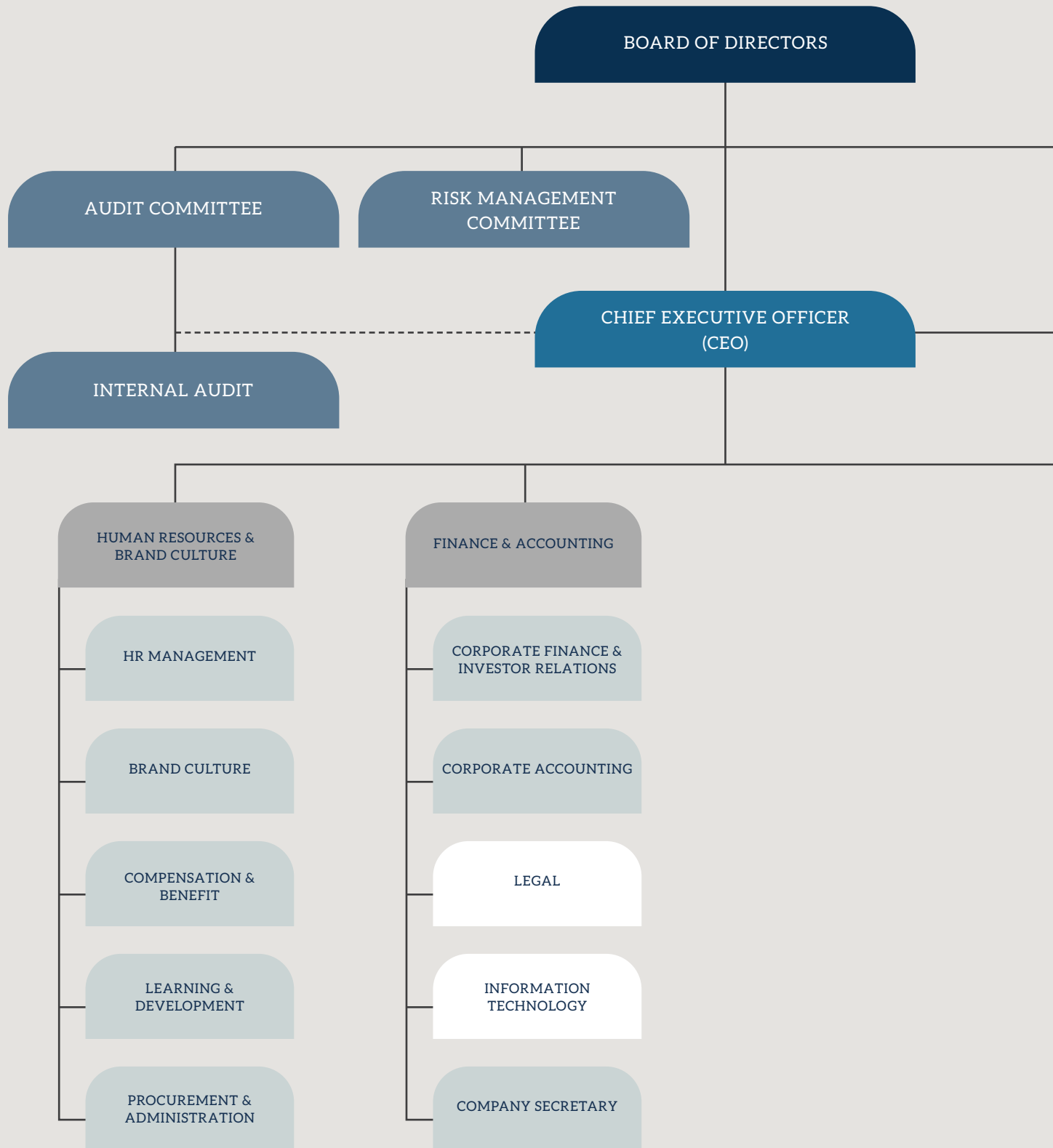
The Company's Securities Holding of Directors and Management¹

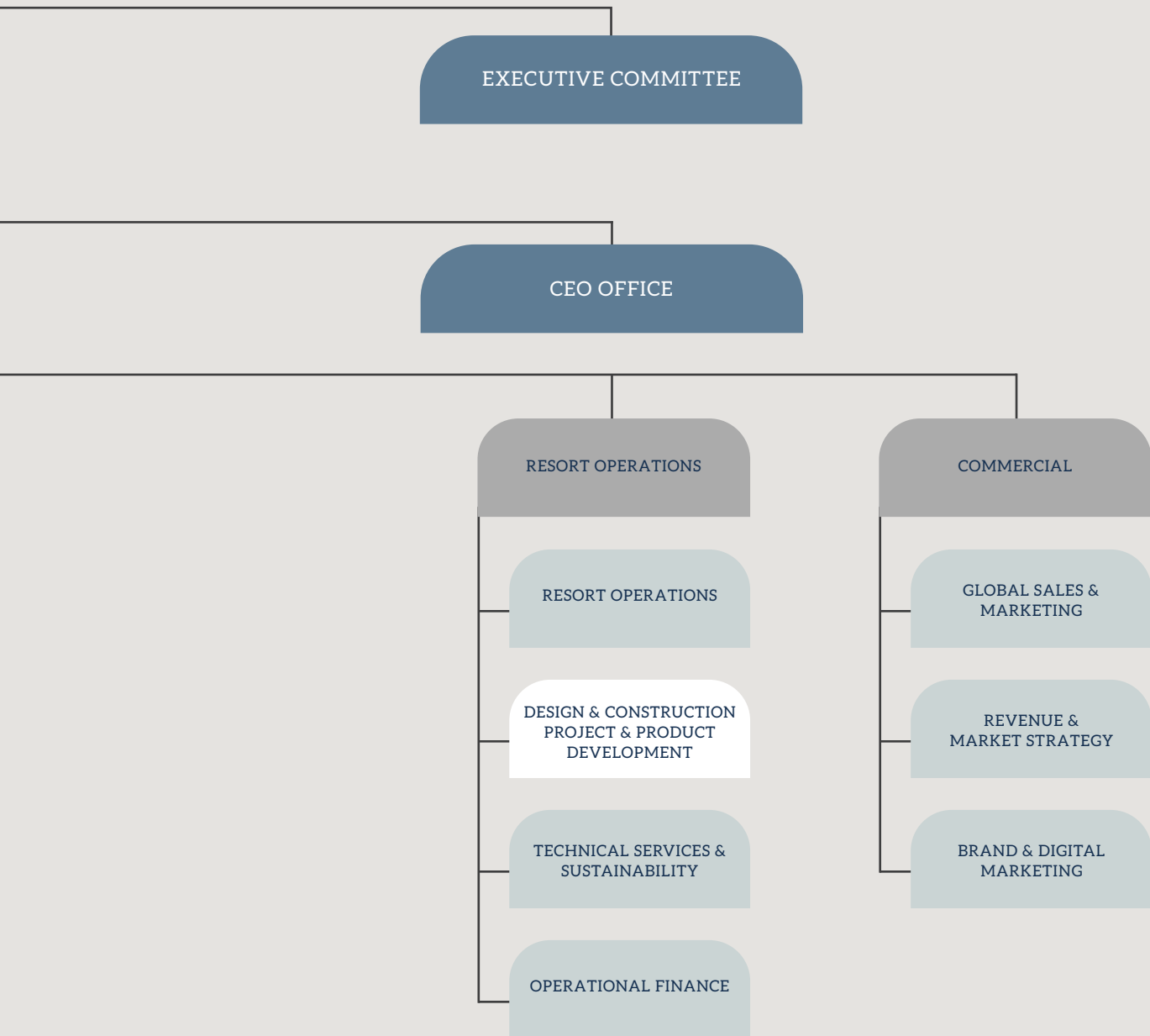
Names		Position
1	Mr. Sompong Tantapart	Chairman of the Board Independent Director Chairman of the Audit Committee
	Spouse / underage children	
2	Mr. Praisun Wongsmith	Independent Director Chairman of the Risk Management Committee Member of the Audit Committee
	Spouse / underage children	
3	Mr. Jukr Boon-long	Independent Director Member of the Audit Committee
	Spouse / underage children	
4	Mr. Chayanin Debhakam, D.B.A.	Director
	Spouse / underage children	
5	Mr. Naris Cheykin	Director Chairman of the Executive Committee
	Spouse / underage children	
6	Mr. Dirk Andre L.De Cuyper	Director Member of the Executive Committee Member of the Risk Management Committee Chief Executive Officer
	Spouse / underage children	
7	Mrs. Thitima Rungkwansiroj	Director Member of the Executive Committee Member of the Risk Management Committee
	Spouse / underage children	
8	Mr. Thiti Thongbenjamas	Director Chief Operating Officer CROSSROADS Project
	Spouse / underage children	
9	Mr. Terachart Numanit	Director
	Spouse / underage children	
10	Mr. Chairath Sivapornpan	Member of the Executive Committee Chief Financial Officer Company Secretary
	Spouse / underage children	
11	Ms. Kankanid Wichitcharoen	Senior Vice President, Finance
	Spouse / underage children	
13	Mrs. Kornkamol Tantinam	Vice President, Human Resources and Brand Culture
	Spouse / underage children	
14	Ms. Meg Elizabeth Evans	Vice President Global of Sales and Marketing
	Spouse / underage children	
15	Ms. Elinor Elizabeth Drennan Spindel	Senior Director of Global Revenue and Market Strategy
	Spouse / underage children	
Total shares held by directors and management not exceeding 25% of paid-up capital		

Remark: ¹ List of the directors and management according to the definition under the Notification of the Capital Market Supervisory Board No.Tor Jor 23/2551.

	Ordinary shares		Warrant (SHR-W1)	
	As at December 30, 2019		As at December 30, 2019	
	Number of shares (shares)	% of total paid-up capital	Number of warrants (units)	% of remaining listed warrants
	-	-	1,500,000	2.143%
	-	-	-	-
	-	-	1,000,000	1.429%
	-	-	-	-
	-	-	1,000,000	1.429%
	-	-	-	-
	40,020	0.001%	1,000,000	1.429%
	-	-	-	-
	1,060,060	0.030%	1,000,000	1.429%
	-	-	-	-
	-	-	1,250,000	1.786%
	-	-	-	-
	-	-	1,500,000	2.143%
	-	-	-	-
	-	-	1,000,000	1.429%
	-	-	-	-
	100,000	0.003%	1,500,000	2.143%
	-	-	-	-
	-	-	1,208,650	1.727%
	-	-	-	-
	10,000	0.003%	1,062,500	1.518%
	-	-	-	-
	-	-	875,000	1.250%
	-	-	-	-
	-	-	575,000	0.821%
	-	-	-	-
	-	-	575,000	0.821%
	-	-	-	-
	1,210,080	0.036%		

ORGANIZATION STRUCTURE





S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

SERVICE AGREEMENT WITH SINGHA ESTATE PUBLIC COMPANY LIMITED

MANAGEMENT STRUCTURE

The management structure of S Hotels and Resorts as described below allows clear segregation of roles, duties, and responsibilities of the Board, the sub-committees, and the management for checks and balances, as well as cross-checking of their performances.

1 Board of Directors

The Board is formed by directors with expertise and experience in various fields, being properly qualified and without forbidden qualities under the Public Limited Companies Act B.E. 2535 and the Securities and Exchange Act B.E. 2535. The directors must not possess any distrustful characteristics unsuitable for the management position in public limited companies under the announcement of the Securities and Exchange Commission (SEC).

The Board of Directors as of December 31, 2019 consists of eight directors, including :

- Seven non-executive directors, three of whom are independent directors, representing more than One-third of the members
- One executive director

Below is the list of directors as of December 31, 2019:

Name	Position	Appointment date
1 Mr. Sompong Tantapart	Chairman of the Board Independent Director Chairman of the Audit Committee	January 10, 2019 November 30, 2018 January 10, 2019
2 Mr. Praisun Wongsmith ¹	Independent Director Member of the Audit Committee	November 30, 2018 November 30, 2018
3 Mr. Jukr Boon-long	Independent Director Member of the Audit Committee	November 30, 2018 November 30, 2018
4 Mr. Chayanin Debhakam, D.B.A.	Director	1 st term: November 10, 2015 2 nd term: April 27, 2016 3 rd term: April 30, 2018
5 Mr. Naris Cheyklin	Director Chairman of the Executive Committee	1 st term: November 10, 2015 2 nd term: April 28, 2017 3 rd term: April 26, 2019 January 10, 2019
6 Mr. Dirk André L. De Cuyper ¹	Director Member of the Executive Committee	November 14, 2018 January 10, 2019
7 Mr. Terachart Numanit	Director	1 st term: January 10, 2019 2 nd term: April 26, 2019

Name	Position	Appointment date
8 Mr. Thiti Thongbenjamas ²	Director	1 st term: February 28, 2018 2 nd term: April 30, 2018 3 rd term: April 26, 2019
9 Mrs. Thitima Rungkwansiroj ¹	Director Member of the Executive Committee	June 29, 2018 January 10, 2019

Remark : ¹ Mr. Praisun Wongsmith, Mr. Dirk André L. De Cuyper and Mrs. Thitima Rungkwansiroj have been appointed from the Board of Directors as Chairman of the Risk Management Committee and Member of the Risk Management Committee respectively on February 26, 2020

² Mr. Thiti Thongbenjamas resigned from Director on December 1, 2019

Authorized company signatories

Mr. Chayanin Debhakam, and Mr. Naris Cheyklin jointly signed with the Company's seal affixed, or any one director from Group 1 and any one director from Group 2 jointly sign with the Company's seal affixed.

The group of directors are follows:

Group 1 : Mr. Chayanin Debhakam, Mr. Naris Cheyklin, Mrs. Thitima Rungkwansiroj

Group 2 : Mr. Terachart Numanit, Mr. Dirk André L. De Cuyper

Details of meeting attendance of the directors are illustrated in the table "2019 Meeting Attendance of Directors".

Name-Surname	Position	Meeting Attendance			
		Board of Directors (8 meetings)		Audit Committee (7 meetings)	
		No. of meetings	%	No. of meetings	%
1 Mr. Sompong Tantapart	Chairman of the Board Independent Director Chairman of the Audit Committee	8/8	100	7/7	100
2 Mr. Praisun Wongsmith	Independent Director Chairman of the Risk Management Committee Member of the Audit Committee	7/8	88	7/7	100
3 Mr. Jukr Boon-long	Independent Director Member of the Audit Committee	8/8	100	7/7	100
4 Mr. Chayanin Debhakam, D.B.A.	Director	7/8	88	-	-
5 Mr. Naris Cheyklin	Director Chairman of the Executive Committee	7/8	88	-	-
6 Mr. Dirk André L. De Cuyper	Director Member of the Executive Committee Member of the Risk Management Committee	8/8	100	-	-
7 Mrs. Thitima Rungkwansiroj	Director Member of the Executive Committee Member of the Risk Management Committee	8/8	100	-	-
8 Mr. Thiti Thongbenjamas	Director	8/8	100	-	-
9 Mr. Terachart Numanit *	Director	7/7	100	-	-

Remarks: * Mr. Terachart Numanit was appointed as a director in the Board of Directors' Meeting No. 1/2019, on January 10, 2019. There was one board meeting held before the appointment.

2 The Management

The Management team of S Hotels and Resorts as of December 31, 2019 consists of six executives as follows:

- | | |
|---|---|
| 1. Mr. Dirk André L. De Cuyper | Chief Executive Officer |
| 2. Mr. Chairath Sivapornpan | Chief Financial Officer |
| 3. Ms. Kankanid Wichitcharoen | Senior Vice President,
Finance |
| 4. Mrs. Kornkamol Tantinam ¹ | Vice President,
Human Resources and
Brand Culture |
| 5. Ms. Meg Elizabeth Evans ² | Vice President,
Global Sales & Marketing |
| 6. Ms. Elinor Elizabeth
Drennan Spindel ² | Senior Director,
Global Revenue and
Market Strategy |

Remark : ¹ Resigned on March 15, 2020

² Resigned on February 29, 2020

3 Company Secretary

The Board has appointed a person who is knowledgeable, competent, and suitable as Company Secretary, currently Mr. Chairath Sivapornpan, since August 8, 2019.

Duties and responsibilities

The Company Secretary must perform the defined duties under Article 89/15 and Article 89/16 of the Securities and Exchange Act (No. 4), B.E. 2551 (2008), promulgated on August 31, 2008, with accountability, prudence, and integrity, while complying with the law, company objectives and articles of association, as well as the resolutions of the Board and shareholders' meetings. By law, his duties are as follows:

1. Establish and maintain the following documents:
 - Director roster
 - Board meeting notices, minutes of meetings, and the Company's annual report
 - Shareholders' meeting notices and minutes of meetings.
2. Maintain reports on vested interests filed by the directors, executives, or related parties, and send a copy of the reports on vested interests under Article 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within seven days of the Company's acknowledgment.
3. Hold Board meetings and shareholders' meetings under the applicable regulations and laws.
4. Provide recommendations on company businesses and the Board in line with the articles of association, company regulations, the Securities and Exchange Act, the Public Limited Companies Act, and applicable legislation.
5. Serve as a center of news and information for the directors, executives, and shareholders.
6. Coordinate and monitor compliance with the resolutions of the Board and shareholders' meetings.
7. Ensure disclosure of information and reporting of information under her responsibility to the regulators as required by the authority.
8. Take other actions as announced or required by the Capital Market Supervisory Board and as assigned by the Board.

Profile

Name – Surname Mr. Chairath Sivapornpan
 Position Member of the Executive Committee
 Company Secretary,
 Chief Financial Officer

Education

- Master of Business Administration – Finance, University of Illinois – Urbana Champaign, USA
- Bachelor of Economics, Thammasat University

Director Training Courses by Thai Institute of Directors Association (IOD)

- Company Secretary Program (CSP 101/2019)

Other Trainings

- Financial Advisor Refresher Course 2019 by Association of Thai Securities Companies
- RE-CU CEO Class 5, RE-CU Management Unit
- Strategic CFO Class 6/2018, The Stock Exchange of Thailand
- Certificate in Investor Relations 2016, Thai Investor Relations Club
- Thai Intelligent Investors Program (TIIP 9) by Thai Investors Association

Work Experience

2011 – 2018 First Vice President, Capital Market and Investor Relations, B.Grimm Power Public Company Limited
 2008 – 2010 Assistant Vice President, Investment Banking, Kasikorn Securities Public Company Limited
 2007 – 2008 Relationship Manager, Standard Chartered Bank (Thai)

Securities Holding in S Hotels and Resorts

Ordinary shares (SHR) None
 Warrants (SHR-W1) 1,208,650 units

NOMINATION AND APPOINTMENT OF DIRECTORS AND SENIOR EXECUTIVES

NOMINATION AND APPOINTMENT OF DIRECTORS

Criteria and procedures

S Hotels and Resorts Public Company Limited ("the Company") recruits and nominates qualified persons under securities and exchange laws and in line with the Company's defined qualifications and submit a short list to the Board for appointment or for tabling it to the shareholders' meeting as specified by company regulations, as the case may be. In so doing, the following channels will be considered:

- An opportunity given for shareholders to nominate directors during at least a 3-month period before each Annual General Meeting ("AGM"), the latest one being from November 25, 2019 to January 31, 2020, under the criteria and terms announced on the Company website
- Persons recommended by the Company's executives, directors, and reliable external sources, including director pool
- Qualified persons recommended by professional search firms
- An opportunity given for directors to nominate qualified persons.

The Company reviews annually the directors' skills and characteristics together with the Board's overall composition conforming to the Company's strategy and business direction. Then, the Board Skill Matrix is tabled annually for consideration of the gap of necessary skills and set-up of nomination criteria. In such reviews, the Company also considers the diversity of skills, expertise, proficiency, experience, and other special competencies of directors, regardless of age and gender.

Position becomes vacant with term completion

When a position becomes vacant with term completion for a given director, the Company recruits and nominates persons with suitable qualifications and nominate them to the Board for seeking approval from the AGM. As for directors'

reappointment for another term, the Company looks at several factors, including performance outcomes, profiles of meeting attendance and participation, and support given to Board activities. For an independent director, his or her independence in expression of opinions will also be taken into account.

Directors' election conforms to company regulations and those of relevant laws, which must be transparent and clear. Below are the criteria and methodology of directors' election at a shareholders' meeting:

1. Each shareholder's votes equal his or her number of shares held, one share per one vote.
2. Voting is to be done for individual nominees, for which each shareholder is to exercise his or her entire votes for individual directors, one by one.
3. To pass the resolution for director appointment, it requires a majority vote of the shareholders who are present at the meeting and entitled to vote.
4. Those that secure the highest votes, and those with the second highest votes, and so on, are regarded as being elected, matching the number of directors to be elected. Should there be more than one person with equal votes for a given position, the chairman of the meeting is to cast a deciding vote.

Position becomes vacant for other reasons

The Board of Directors recruits and nominates qualified persons to present to the Board for appointment replacing the resigned director(s) at the next Board meeting. An exception applies if the remaining term is less than two months, in which case an approval is needed from the AGM. In any case, the term of the replacement director is only as long as that remaining of the resigned one. The decision of the Board in this case needs no less than three-quarters of the remaining directors on the Board.

Director removal and dismissal

1. Besides completing their terms, directors may leave their positions in the following cases:
 - 1.1 Death
 - 1.2 Resignation
 - 1.3 Lack of qualifications or having forbidden qualities under the Public Limited Companies Act
 - 1.4 Dismissal by shareholders' votes.
 - 1.5 Court order.
2. Directors who wish to leave their positions are to submit a resignation to the Company, which becomes effective from the date it is received by the Company. Such directors may also notify the public limited company registrar.
3. The shareholders' meeting may decide to have any director leave his or her position before term completion with a vote of no less than three-quarters of the attending eligible voters, which is no less than a half of the total shares of the attending eligible voters.

If the entire Board leave their positions, they are to remain in office to carry on business only as essential until the new Board takes office, except otherwise ordered by the court for the Board that leaves their positions at the court's order.

The Board that left their positions are to hold a shareholders' meeting to elect the new Board within one month after leaving their positions. To this end, it sends meeting notices to the shareholders no less than 14 days ahead of the meeting date, which are advertised in newspapers for three consecutive days and no less than three days ahead of the meeting date.

NOMINATION AND APPOINTMENT OF SENIOR EXECUTIVES

Nomination and Appointment of the CEO

The Board prepare a CEO Succession Plan to ensure business continuity if the position becomes vacant. The committee is to nominate a qualified person to assume the position by selecting a competent, qualified person with experience beneficial to S Hotels and Resorts's operation from either inside or outside the Company before tabling his or her name to the Board for appointment. The committee is also responsible for regularly reviewing this succession plan as well as the list of those eligible for succession.

Nomination and Appointment of Senior Executives

The CEO recruits qualified person(s) suitable for the positions, duties, and responsibilities from those competent ones with experience beneficial to S Hotels and Resorts. Such selection must conform to Human Capital's personnel recruitment protocols.

Human Capital develops succession plans for senior executives and puts in place a system for personnel development for lesser positions to become ready to assume such positions.

REMUNERATION OF DIRECTORS AND MANAGEMENT TEAM

1 Monetary Remuneration

1.1 Directors' remuneration

Criteria for directors' remuneration

The Board of Directors ("the Board") is responsible for defining the criteria for directors' remuneration, considering the following aspects:

- Directors' Responsibilities
- Linking the remuneration to Company overall performance
- Comparing directors' remuneration with peers listed in the stock exchange of the same business and the same size.

The 2019 AGM approved the remuneration for the directors and committee members in the forms of monthly retainer, meeting allowance, privilege for rooms and services at any of the Company's and its Group's hotels, Details are as follows:

Types of Remuneration	Board of Directors		Sub-Committees ¹	
	Chairman	Director	Chairman	Director
1. Meeting Allowance (Baht/Person/Meeting)	50,000	30,000	30,000	20,000
2. Monthly Retainer (Baht/Person/Month)	100,000	40,000	Only the Audit Committee	
			30,000	20,000
3. Privileges for Rooms and Services at any of the Company's and its Groups' Hotels (Baht/Person/Year)	Not exceeding 100,000	Not exceeding 100,000	-	-

Remark: ¹ An executive director shall not receive meeting allowance for holding the position as a member of the Executive Committee.

In summary, the monetary remuneration in 2019 for 9 directors amounted to 7,482,833.88 baht, which consisted of

1. Monthly Retainer totaling 5,840,000 baht
2. Meeting allowances:
 - Board meeting allowance, totaling 850,000 baht
 - Audit Committee meeting allowance, totaling 490,000 baht
3. Privileges for rooms and services at any of the Company's and its groups' hotels (actual spending), totaling 302,833.88 baht
4. Bonus - None

2019 Monetary Remuneration of Directors

Name-Surname	Position	Monetary Remuneration (Baht)				
		Monthly Fee ¹	Meeting Allowances		Others ²	Total Remuneration
			Board of Directors	Audit Committee		
1 Mr. Sompong Tantapart	Chairman of the Board Independent Director Chairman of the Audit Committee	1,560,000.00	400,000.00	210,000.00	-	2,170,000.00
2 Mr. Praisun Wongsmith	Independent Director Chairman of the Risk Management Committee Member of the Audit Committee	720,000.00	210,000.00	140,000.00	-	1,070,000.00
3 Mr. Jukr Boon-long	Independent Director Member of the Audit Committee	720,000.00	240,000.00	140,000.00	97,500.35	1,197,500.35
4 Mr. Chayanin Debhakam, D.B.A.	Director	480,000.00	-	-	-	480,000.00
5 Mr. Naris Cheyklin	Director Chairman of the Executive Committee	480,000.00	-	-	-	480,000.00
6 Mr. Dirk André L. De Cuyper	Director Member of the Executive Committee Member of the Risk Management Committee	480,000.00	-	-	-	480,000.00
7 Mrs. Thitima Rungkwansiroj	Director Member of the Executive Committee Member of the Risk Management Committee	480,000.00	-	-	89,304.05	569,304.05
8 Mr. Thiti Thongbenjamas ³	Director	440,000.00	-	-	89,620.75	529,620.75
9 Mr. Terachart Numanit	Director	480,000.00	-	-	26,408.73	506,408.73
	Total	5,840,000.00	850,000.00	490,000.00	302,833.88	7,482,833.88

Remarks: ¹ The 2019 AGM, dated April 26, 2019, approved the monthly remuneration of the board are as follows; Chairman THB 100,000, Director THB 40,000 (per person) and Chairman of the Audit Committee THB 30,000, Director THB 20,000 (per person)

² Privileges for rooms and services at any of the Company's and its subsidiaries' hotels as approved by the 2019 AGM at the rate of 100,000 Baht/person/year.

³ Mr. Thiti Thongbenjamas resigned on December 1, 2019

1.2 Management's remuneration

For the accounting year ended December 31, 2019, the total remuneration for the first four executives, from the CEO to all positions equivalent to the fourth executive (totaling seven persons) including those who resigned during the year, amounted to 40,745,103.33 baht, consisting of 28,572,986.67 baht for salaries and allowances; 6,392,330.00 baht for bonus; 2,325,020.00 baht for provident fund contribution ; and 3,454,766.66 baht for other.

Executives who are members of the Provident Fund are entitled to a contribution of 5% of their salaries under the rules of the Provident Fund, which applies to all in the Company.

Note: The first four executives from the CEO and all positions equivalent to the fourth executive (according to the executive listing system of SEC) as of December 31, 2019, were

1. Mr. Dirk André L. De Cuyper Chief Executive Officer
2. Mr. Chairath Sivapornpan Chief Finance Officer
3. Ms. Kankanid Wichitcharoen Senior Vice President, Finance
4. Mrs. Kornkamol Tantinam ¹ Vice President, Human Resources and Brand Culture
5. Ms. Meg Elizabeth Evans ² Vice President Global of Sales and Marketing
6. Ms. Elinor Elizabeth Drennan Spindel ² Senior Director of Global Revenue and Market Strategy

Remark : ¹ Resigned on March 15, 2020

² Resigned on February 29, 2020

2 Non-Monetary Remuneration

PO Warrants to purchase the Company's ordinary shares to be issued and offered for sale to the directors and employees of the Company and/or its subsidiaries

The Company had issued and offered the warrants to purchase the Company's ordinary shares to be issued and offered for sale to the directors and employees of the Company and/or its subsidiaries (PO Warrant) to encourage their ownership, build their morale and courage in performing their duties, and retain their engagement with the Company in the long run. Summary details are as follows:

PO Warrant	Approved by AGM	Number of Units	Date of Allocation
Warrant (SHR-W1)	2019	70,000,000	November 5, 2019

Details of PO Warrant are described in "Securities and Shareholders". There was no allocation of PO Warrants of exceeding 5 percent of the total number of units to directors and/or employees.

2019 Non-Monetary Remuneration of Directors

Name-Surname	Position	Non-Monetary Remuneration	
		Warrants (SHR-W1)	
		No. of warrants (units)	% of issued warrants
1 Mr. Sompong Tantapart	Chairman of the Board Independent Director Chairman of the Audit Committee	1,500,000	2.14
2 Mr. Praisun Wongsmith	Independent Director Chairman of the Risk Management Committee Member of the Audit Committee	1,000,000	1.43
3 Mr. Jukr Boon-long	Independent Director Member of the Audit Committee	1,000,000	1.43
4 Mr. Chayanin Debhakam, D.B.A.	Director	1,000,000	1.43
5 Mr. Naris Cheyklin	Director Chairman of the Executive Committee	1,000,000	1.43
6 Mr. Dirk André L. De Cuyper	Director Member of the Executive Committee Member of the Risk Management Committee	1,250,000	1.79
7 Mrs. Thitima Rungkwansiroj	Director Member of the Executive Committee Member of the Risk Management Committee	1,500,000	2.14
8 Mr. Thiti Thongbenjamas	Director	1,000,000	1.43
9 Mr. Terachart Numanit	Director	1,500,000	2.14
Total		10,750,000	15.36

CORE VALUES

P R

Partnership

- Build good relationship among business partner, team and community.
- Cooperate with others to make things happen to achieve common interest.
- We understand our roles

Refined

- Create works meticulously and punctiliously
- Select best materials, be the best in class
- Strive to offer best quality products and services for customers, pay attention to details
- Maintain good appearance and good manner in different situations

I D E

Integrity

- Persist in commitment and be responsible for engagement that we gave to customers, team members, business partners and communities
- Treat others with honor and equality
- Stand for what is right, be honest

Dynamic

- Be positive, ready to cope with challenges
- Strive for self-development and develop others continuously in order to be ready for changes of business, dare to think differently, share out-of-the-box ideas
- Increase effectiveness and quality for different situations

Entrepreneurship

- Work with passion and dedicate to achieve goals
- Take consequences with others into consideration (Customers, Business partners, Team members, and Communities)
- Be confident and proud, proven by actions
- Ready to dedicate for common interest

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE POLICY

The Board of Directors of S Hotels and Resorts Public Company Limited (the “Company” or “SHR”) is committed to a transparent, fair and accountable business conduct in strict adherence to Corporate Governance (CG) Principles. Besides enhancing SHR’s competitiveness and strengthening the confidence of all investors and stakeholders at the domestic and international levels, such practices are key drivers for SHR’s business success, sustainable growth, and flexible adaptation under a changing business environment, and good relationship with all stakeholders.

FORMULATION OF CG POLICY

The Board agreed to have an improved written corporate governance policy on January 10, 2019, covering the main principles, structure, roles, duties and responsibilities of the Board, and management principles of the Executives which are meant to be transparent, clear and examinable by using the principles and guidelines of 2017 Good Corporate Governance for Listed Companies of the Securities and Exchange Commission. These are the guidelines for managing the Company to ensure that the operations of the Company are with fairness and taking into account the best interests of shareholders and all stakeholders.

In 2019, the Board followed the guidelines for corporate governance in other matters as follows:

- Defined work ethics and codes of conduct in order to be a guideline for the directors, executives, employees and all related parties to perform their duties with adherence to honesty, morality, ethics, and to preserve the reputation of the Company, to conduct themselves in an appropriate way for professional business operations, as well as to be responsible to the economy and society as a whole.
- Establish Insider Trading Policy, computer system and information technology security, policy, information classification policy to protect information that is classified at the confidential level not to be disclosed, which can help

to create fairness and equality for using inside information of the Company, including to protect the use of inside information in illegal manner ; all of which can help to create confidence to the shareholders, investors, and all stakeholders.

- Established an Anti - Corruption Policy covering SHR’s operations in every country and every related department with a commitment to fight against all forms of corruption of the Company such as offering, promising, soliciting, demanding, giving or accepting bribes, or any behaviours that imply corruption. This policy is to be used as a guideline for the practice of directors, executives and employees of the Company
- Established a whistleblowing policy for the acceptance of complaints about corruption and wrongdoing. The Company established a mechanism for accepting complaints and taking actions in the event that clues are provided regarding illegal actions and any unlawful actions defined in the Charter or the Code of Conduct, behaviours that may imply the corruption of the Company’s personnel. This policy also includes appropriate protection measures for those who report clues in order to effectively receive complaints of corruption and wrongdoing.
- Established a policy on the supervision and management of subsidiaries and associated companies that operate the core businesses so that the Company would have a mechanism for directly and indirectly controlling and managing subsidiaries and associated companies, in order to take charge of the operations of the subsidiaries and associates as if they were one of the Company’s units to protect the interests of the Company’s investments and to effectively monitor the management of subsidiaries and associates.
- Established a policy for the prevention of conflicts of interest by defining guidelines, prohibitions, and matters for consideration in order for the directors, executives, and employees of the Company to understand how to comply with the Conflicts of Interests Policy.

- Established a social responsibility policy. Its 9 principles include fair business conducts, actions against corruption, respect for human rights, fair treatment towards labour, responsibility to consumers, environmental management, community and social development, innovation and dissemination of innovation from operations that are responsible to society, the environment, and stakeholders, and the preparation of corporate social responsibility reports to make the Company's business operations comply with the principles of corporate social responsibility guidelines of the business set by the Stock Exchange of Thailand.
- Established charters for the Board, Audit Committees, Executive Committee, and the scope of duties and responsibilities of the Chief Executive Officer in order for the directors and the CEO to understand their roles, duties, and responsibilities towards the Company, shareholders of the Company, and subsidiaries to show that they are able to perform their duties with effectiveness and transparency.
- Establishing a succession plan in order to create continuity in management for the Group of Chief Executive Officer, managing director, and the Company's management to ensure that the Company will have professional management. The Company's Human Resources and Brand Culture department has the responsibility to establish such plan to propose to the Board for consideration.

CG PRINCIPLES AND CG CODE COMPLIANCE ASSESSMENT

The Board acknowledged the principles under the CG Code and fully understood its leadership role in creating sustainable value for SHR's business, and conducted an assessment of overall compliance with CG Code, based on the outcomes of the Company Secretary's preliminary assessment and report. Meanwhile, the Company is considering some principles under SET's CG which have not been complied with at this stage as follows:

Issue under consideration	Reason / Explanation
The Board should establish the Nomination and Remuneration Committee.	The Company was listed on the Stock Exchange of Thailand on November 12, 2019 and is in the process of appointment of the Nomination and Remuneration Committee. The appointment is expected to be completed by 2020. However, in the meantime, the Board will oversee the recruitment and selection of directors with transparency, clear rules and procedures. The Board must consider the educational background and professional experience of the candidates, including qualifications and non-prohibited characteristics with sufficient details to consider. In addition, the Board has rules and guidelines for determining remuneration for directors, senior management, and persons with fair and reasonable management authority. The consideration of the remuneration of the Board to propose to the shareholders' meeting for approval must take into account various factors such as the consistency with the strategy and long-term goals of the company, experience, duties, scope and roles and responsibilities, and the expected benefits of each director.
Does the Board establish The Risk Management Committee?	The Company plans to establish the Risk Management Committee in 2020 to set policies and framework for risk management to supervise the company to have a risk management operation throughout the organisation. At present, the Board has already determined the risk management policy of the company. And the Audit Committee will oversee the implementation of the policy during the establishment of the Risk Management Committee. (The Committee was already established in February, 2020 by the approval from the Board.)
Did the non-executive directors hold a meeting among themselves last year?	The company was listed on the Stock Exchange of Thailand on November 12, 2019, which was near the end of the year. And after the registration date until December 31, 2019, the company did not have a board meeting. However, in 2020, the company has set a meeting schedule in advance for the whole year and has informed all the directors. A non-management board meeting will be held in July 2020 to discuss management issues of interest without the management team.

To enhance the knowledge and understanding of all directors, executives and employees of their obligations in performing their duties in compliance with the Corporate Governance Code (CG Code) for Listed Companies 2017 of the Securities and Exchange Commission (SEC) and as a guideline for corporate management to raise confidence in the business conduct of the Company for sustainable value creation, long-term satisfactory performance and with responsibility to all shareholders and stakeholders, the Board has defined eight CG principles as follows:

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

1.1 The Board understands and is aware of its roles and responsibility as the leader who oversees the overall operations of SHR. The roles and responsibilities of the Board include:

- Set objectives and key goals, important guidelines, policies and strategies with due regard to ethics, the impact on society and the environment, financial objectives, various business plans and budgets of the Company and subsidiaries, providing important resources to achieve objectives and goals, supervise the administration and management of the Executive Committee and the Management to be in accordance with the policies, plans and budgets with efficiency and effectiveness for the best interest of SHR, its subsidiaries and shareholders.
- Continuously monitor the operations of SHR, subsidiaries and associated companies to meet the goals, guidelines, policies, business plans and budgets of the Company and subsidiaries. Regularly evaluate the performance of the Executive Committee and Management. Fix remuneration and review the succession planning at least once a year.
- Supervise the adequacy of financial liquidity and ability to pay off debt.
- Consider, determine, and amend the names of directors who have the binding authority to sign for the Company. In the case of a vacancy of a director due to reasons other than retire by rotation, let the Board, according to the recommendations of the Nomination and Compensation Committee (if any), select people who are qualified and do not have prohibited characteristics under the Public companies and the Securities and Exchange Act, or any other relevant announcements, rules or regulations, to be a director in the next committee meeting, unless the term of office of the retired director is less than 2 months.
- Consider and approve the Company and subsidiaries' operations in accordance with the regulations of each Company.
- Consider the management structure. Hold the authority to appoint the Executive Committee, Chief Executive Officer, and other subcommittees as appropriate. Determine the scope of authority and compensation of the appointed Executive Committee, Chief Executive Officer, and other subcommittees.

The delegation of authority within the scope of specified duties must not constitute delegation that allows the Executive Committee, the Chief Executive Officer, and subcommittees to consider and approve transactions that may cause conflicts with the Company or subsidiaries, except for the approval of transactions that are in accordance with the policies and criteria considered and approved by the shareholders' or the Board's meeting.

- Perform other shareholder-assigned tasks related to the Company's business.

1.2 The Board establishes various policies, including corporate governance policies and corporate social responsibility policies to create sustainable business values in order to promote ethical business practices, to respect the rights and responsibilities to shareholders and stakeholders, to achieve success in the business operations of the Company, to benefit the society, to develop or reduce environmental impact, and to adapt under changing factors.

1.3 The Board is responsible for supervising the directors and executives to perform their duties with responsibility (Accountability and Responsibility), to be careful (Duty of Care), to be honest to the organisation (Duty of Loyalty) for the highest benefits of the Company, as well as to comply with the law, objectives, regulations, resolutions of the Board, the resolution of the shareholders' meeting, and the policy or guidelines specified by the Company. The Board has to provide sufficient mechanisms to ensure that the operations of the Company are in compliance with relevant laws, objectives, regulations, resolutions of the Board's and shareholders' meetings, and various policies of the Company such as related party transaction policy, anti-corruption policy, the delegation of authority. The Board must also supervise processes of important operations such as investment, transactions that affect the Company, significantly transaction with connected persons, acquisition or disposition of assets, and dividend payment with the following actions:

- Providing appropriate information disclosure to stakeholders, person with conflicts of interest and related parties, and disclosure of important information to shareholders in the financial statements and various reports made to the shareholders appropriately. Such information should be distributed via the SET's system first and may be further disseminated via the Company's website. Assigning responsible persons for providing information to investors. The Board should disseminate accurate, complete, appropriate and punctual information.
- Considering, reviewing, and approving the vision, policy, direction, strategy, business plan of the Company and subsidiaries as prepared by the Executive Committee and management at least once a year to suit the changing economic, market, and competitive conditions.
- Arranging for a balance sheet and a profit and loss account at the end of the calendar year which is the Company's fiscal year in order to accurately and accurately show the financial status and operating results of the previous fiscal year in accordance with generally accepted accounting standards to propose to the shareholders' meeting in the annual general meeting of shareholders for approval. The Board must arrange for the auditor approved by the Office of the Securities and Exchange Commission to complete the check of balance sheet and profit and loss account before presenting to the shareholders' meeting. Also the preparation and review of the financial statements for the quarterly period.
- Having the Company and subsidiaries introduce the accounting system, financial reporting, and an appropriate and effective audit. Providing an internal control system, sufficient and effective internal audit system, and establishing a process to assess the suitability of the internal control system of the Company and subsidiaries regularly.
- Supervising to have a system or process for risk management by establishing supporting measures and control methods to appropriately reduce the impact on the Company's business and subsidiaries.
- Considering and/or providing opinions on connected transactions between the Company, its subsidiaries, associated companies, and connected persons as specified in the Securities and Exchange Act, relevant rules and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board. Approving the principles of trade agreements with general trade terms for entering into transactions between the Company, its subsidiaries, affiliated

companies, and directors, executives, or related parties in order to establish a framework for the Executive Committee and the management to have the power to execute such transactions within the framework and scope of the relevant laws and regulations. Considering and/or providing opinions on making various business transactions for the Company (if the value of the transaction does not fall under the conditions that must be considered and approved by the shareholders' meeting) in accordance with the relevant laws, announcements, rules and regulations.

- Appointing Company secretary and determine the scope of duties and responsibilities of the Company secretary in order to be responsible for the various operations on behalf of the Company or the Board such as the preparation and maintenance of the register of directors notice of the Board meeting and the minutes of the Board meeting, invitation to shareholders 'meeting, minutes of shareholders' meeting, reports of interest etc.

1.4 The Board of Directors understands the role scope of duty and responsibilities of the Board, clearly specifies the scope of delegation of duties and responsibilities to the committees and management, follows up and supervises them to perform the duties as assigned. The Board establishes various charters of the Board and subcommittees in writing and will review the said charters regularly at least once a year to be in line with SHR's direction.

In addition, the Company separates the roles and responsibilities between the Board and management to be clear in the performance of duties of each position in order to balance the power, to be able to review their administration, and to manage the Company with efficiency and transparency as follows:

- The Board plays a key role in defining directions, policies, and business strategies for maximum returns of investment and benefit of shareholders. The Board is also responsible for supervising and monitoring the performance of the management to ensure conformity with such policies and strategies and in line with laws, the Company's objectives and Articles of Association, and shareholders' resolutions.
- The management is responsible for managing SHR's businesses to achieve goals and in line with the directions, policies, and strategies defined by the Board, and managing routine work and businesses to ensure smooth operation.

- The Chairman of the Board, as the leader of the Board, takes important roles in supervising and promoting Board performance in compliance with the laws and corporate governance.
- The Chairman of the Executive Committee ensures that the overall operation conforms to the management's policies and in compliance with the laws, corporate objectives and articles of association, as well as the Board and shareholders' resolutions.
- The Chief Executive Officer (CEO), as the leader of the management, is assigned by the Board to perform day-to-day business duties for SHR by administering tasks strictly and honestly, as well as with integrity under the Board's approved plans and budgets in the best interests of SHR and its shareholders. The CEO must not engage in vested interests or conflicts of interest with the Company and its subsidiaries.

Although the Board has delegated specific powers to subcommittees, the Chief Executive Officer (CEO) and Senior Executives, it has reserved its authorisation over certain matters, including:

- Corporate strategies, business plans and budgets
- Capital expenditure and expenses which exceed the approved authority of the Executive Committee
- Expenses for the Company's operations and subsidiaries Including the schedule of approval authority (Delegation of Authority)
- Strategic investments in new businesses and divestments
- Acquisition or disposition of SHR's assets or subsidiaries
- Significant policies
- Material contracts
- Material litigation
- Dividend policy

Principle 2 Define Objectives and Goals that Promote Sustainable Value Creation

- 2.1 The Board values the definition of SHR's core objectives and goals in the conduct of its business for sustainable growth together with society, value creation and benefit for the organisation, customers, business partners, employees, shareholders, stakeholders, and society as a whole. The Board promotes communication and ensures that the corporation's core objectives and goals are reflected in the decision-making and performance of all its employees that they become corporate culture in conformity to the corporate governance principles.

- 2.2 The Board ensures that SHR formulates annual corporate strategies and 5-year corporate plans in line with its business objectives and goals, environment, factors and risks that may affect all stakeholders, ensures that SHR adopts innovations and technology appropriately and safely. In addition, the Board must be aware of the risks of setting goals that may lead to illegal or unethical conducts as well as supervise the transfer of objectives and goals through strategies and plans throughout the organisation.

Principle 3 Strengthen Board Effectiveness

- 3.1 The Board has the duties and responsibility for determining and reviewing its structure especially composition, qualifications, proportion of independent directors, term of tenure and limit of directorship in listed companies that each of SHR's directors can hold, as deemed proper and necessary for achieving the SHR's objectives. The principle includes:

3.1.1 Board Composition

In optimising the diversity of its structure, the Board is composed of at least five to twelve directors with various qualifications, that is, gender, professional skills, knowledge, competency, and fields of specialisation and experience, that are relevant to SHR's business operations. The Board charter also requires that at least one-third of the directors, and no less than three, must be independent ones; and at least half of the Board must reside in Thailand.

As of December 31, 2019, the Board comprises one executive and seven non-executive directors, totalling eight members. Among the non-executive directors, which represent 87.5% of the entire Board, are three independent directors, representing 37.5%. All directors are knowledgeable, competent, skilful and experienced in fields useful to SHR's business and are able to fully devote their time to the performance of their duties.

3.1.2 Qualifications of directors

- The directors must be properly qualified without forbidden characteristics under the Public Limited Companies Act B.E. 2535 and the Securities and Exchange Act B.E. 2535, relevant notices, regulations and/or relevant regulations, and must not have characteristics that indicate lack of appropriateness to be entrusted to be a director or executive as specified by the

Securities and Exchange Commission and/or the Capital Market Supervisory Board. A director must be a person whose name is in the list of directors and executives of the Company issuing securities in accordance with the notification of the Capital Market Supervisory Board regarding the rules for displaying the name of a person in the list of directors and executives of the Company issuing securities.

- Must be knowledgeable, competent and experienced so that will be beneficial to business operations, honest, ethical in conducting business, and have enough time to fully devote knowledge and ability and perform duties for SHR and subsidiaries.
- Cannot operate the business that has the same conditions and that is in competition with the business of SHR or subsidiaries, or become a partner in an ordinary partnership, or a partner with no limited liability in a limited partnership, or being a director in other juristic persons operating businesses that have the same conditions and are in competition with SHR's business or subsidiaries whether doing it for his own benefit or for the benefit of another person, unless notifying to the shareholders' meeting before a resolution is made to appoint that director.

3.1.3 Qualifications of independent directors

SHR's independent directors must possess qualifications required by the Capital Market Supervisory Board and must be able to protect the benefits of all shareholders equally in order to avoid conflicts of interest. Moreover, they must also be able to express their opinions independently at Board meetings. SHR has set out the qualifications of independent directors as follows:

- (1) Hold up to 0.5% of the voting shares of SHR, holding Company, subsidiaries, associates, major shareholders, or its controllers. For this purpose, the shares held by related persons of individual independent directors are to be included.
- (2) Are not or have not been involved in the management, wage earners, employees, advisers on regular payroll, or controllers of the Company, holding Company, subsidiaries, associates, sister companies, major shareholders, or SHR's controllers unless such status has ended for at least two years.
- (3) Are not of blood relationship or legal registration as father, mother, spouse, sibling, or children, including the spouses of the children of other directors, executives, major shareholders, controllers, or those nominated as directors, executives, or controllers of the Company or its subsidiaries.
- (4) Do not have or have not had business relationship with SHR, holding Company, subsidiaries, associates, major shareholders, or the SHR's controllers that could obstruct their independent exercise of discretion; are not or have not been significant shareholders, or controllers of those with business relationship with the Company, holding Company, subsidiaries, associates, major shareholders, or the Company's controller unless such status has ended for not less than two years.
- (5) Are not or have not been the auditor of SHR, holding Company, subsidiaries, associates, major shareholders, or the Company's controllers, and are not significant shareholders, controllers, or partners of the auditing firm which the auditor of the Company, holding Company, subsidiaries, associates, major shareholders, or the Company's controllers are attached to unless such status has ended for not less than two years.

Under the previous paragraph, business relationships include trade transactions routinely engaged for renting of properties, asset-related or service-related transactions, or financial assistance provided or received involving loans or collateral, provision of assets as loan collateral or the likes, all of which result in SHR or its contract counterpart owing from 3% of its net tangible assets or 20 million baht upward (whichever is lower). The calculation of such debts is to follow the method of calculating the value of related-party transactions under the announcement of the Capital Market Supervisory Board on the criteria for engagement in related transactions *mutatis mutandis*. However, in the consideration of such debts, they are to incorporate debts incurred during the year before the business relationship date with the same person.

- (6) Are not or have not been professional advisers, whether legal or financial, with a consulting fee of more than 2 million baht a year from the Company, holding Company, subsidiaries, associates, major shareholders or the Company's controllers, and are not significant shareholders, controllers, or partners of such professional advisers unless such status has ended for not less than two years.
- (7) Are not directors appointed as the representatives of other directors of SHR, major shareholders, or shareholders related to SHR's major shareholders.
- (8) Are not engaged in similar businesses and significantly competitive businesses with those of SHR, its subsidiaries and are not significant partners in partnerships, management directors, wage earners, employees, advisers on regular payroll, or those holding more than 1% of the total voting rights in other companies engaged in similar businesses and significantly competitive businesses with those of SHR or its subsidiaries.
- (9) Do not have any characteristics that hinder free expression of views on SHR's business.

3.1.4 Terms of directors

- The directors can serve the office no longer than three years each term and can be re-elected to resume office.
- At each annual general meeting, at least one-third of the directors, or, if their number is not a multiple of three, then the number nearest to one-third, must retire from office. Directors to retire from office in the first year and the second year after the registration of the Company shall be determined by drawing lots. In subsequent years, directors who have remained in office for the longest term shall retire.
- Independent directors can serve up to three consecutive terms.

3.1.5 Limiting number of listed companies to serve as directors

To ensure their full dedication of time for efficient duties to optimise the Company's benefit, directors are required by the Board charter to serve as a director in no more than five SET-listed companies (including the appointment as the Company's director).

3.2 The Board will appoint the appropriate person to be the chairman of the Board and ensure that the components and operations of the Board facilitate the exercise of independent discretion to perform the following duties:

- Chairing and calling Board meetings by assigning the Company Secretary to issue meeting notices no less than seven days before each meeting so that the directors may have enough time to study, deliberate, and make proper decisions at each meeting.
- Setting meeting agenda on consultation with the CEO.
- Efficiently control meetings, allocating enough time for the management to present supporting data for decision-making.
- Giving the directors opportunities to ask questions and express opinions and discretion freely; controlling discussion issues; and summarising resolutions.
- Encouraging the directors to attend the shareholders' meetings and chairing such meetings to efficiently control Board proceeding and answer shareholders' questions.
- In the consideration of agenda which directly concerns a given director with conflicts of interest, the Chairman must ask that director to abstain from attending and voting during that portion of the meeting until the agenda has passed.
- Playing a key role in promoting directors' conformance to corporate governance and performance of their duties under the lawful authority of the Board, and promoting good relationship among the Board and the management.
- Inform the Board about crucial information and data.

3.3 The Board will supervise the nomination and selection of each committee to have a transparent and clear process in order to establish the Board and subcommittees that have qualifications consistent with the specified components. The Board will review the skills and characteristics of the Board and the overall composition of the Board in accordance with SHR's business strategy compared with current and future business directions, and create a Board Skill Matrix table to determine the necessary skills that are still missing from the Board and set criteria for nominating directors who are sought every year. In the above review, the Board also considers the diversity both in terms of skills, experience, knowledge, expertise, independence, age and gender of the Company's directors.

3.4 The Board considers the policy and criteria of clear, fair, reasonable and appropriate remuneration, both monetary

and non-monetary, of directors and subcommittees, for their duties and responsibilities and linked to their individual as well as Company performance (both short-term and long-term) that is also comparable with that of industry peers. The Board then proposes for approval of the remuneration at the shareholders' meeting.

3.5 The Board ensures that all directors are properly accountable for their duties, responsibilities and actions, and allocate sufficient time to discharge their duties and responsibilities effectively. This year the Board held eight meetings, with meeting attendance of each director over 75%. Details of directors' attendance are shown in the Meeting Attendance in 2019 table.

3.6 The Board considers the regulatory mechanism that makes the Company able to supervise the management and be responsible for the operations of its subsidiaries as if they were a department of the Company, provides measures to monitor the operations of its subsidiaries in order to protect the benefits of the Company's investments to be in accordance with the announcement of Tor.Jor 39/2016, as well as ensures that the subsidiaries and associates have the same understanding and meet the same standards for the whole group.

3.7 The Board conducts an annual performance assessment of itself, subcommittees and individual directors as a scope for monitoring Board performance and whether it has been following good practices, so as to improve Board performance and to review problems and obstacles during the past year. The result of the assessment will also be used for the improvement of performance in the future.

SHR has devised a Board self-assessment in accordance with SET's guidelines and adapting it to the business and structure of the Board. The assessment comprises two sets of evaluation forms:

- 1) Board and subcommittee performance selfassessment (group assessment)
- 2) Board's individual self-assessment

Criteria for evaluation cover the following essential points:

- 1) Board and subcommittee structure and qualifications
- 2) Board Meetings
- 3) Roles, duties and responsibilities of the Board and subcommittees
- 4) Others, such as relations with the management, directors' self-development, and executive development

Scoring In each of the topics, five levels of score are assigned:

- 1 = totally disagree or nothing has been done
- 2 = disagree or a few things have been done
- 3 = agree or reasonable action has been done
- 4 = rather agree or good action has been taken
- 5 = totally agree or there has been excellent undertaking

Scoring percentage defines as follows:

90 - 100	means	excellent
80 - 89	means	very good
70 - 79	means	good
60 - 69	means	fair
50 - 59	means	need improvement
Below 50	means	need improvement immediately

Evaluation process

The Board considers and reviews the Board of Directors' Performance Evaluation Form. The Company Secretary then distributes copies of the evaluation form to all directors to be evaluated and handed in at the end of each year. The calculated results will be summarised in an evaluation report to be submitted to the Board to determine appropriate annual remuneration for the directors in each year. The evaluation report will be submitted to the Board for acknowledgment and for discussion for future improvement.

Evaluation results

The evaluation outcomes of the Board's performance in 2019 can be summarised as follows:

Evaluation form	Evaluation 2019	
	Average score	%
Form 1 Group Assessment		
a) Board's Performance Assessment	4.67	93 (Excellent)
b) Sub-committees' Performance assessment - Audit Committee Assessment	4.79	96 (Excellent)
Form 2 Self-assessment	4.73	95 (Excellent)

3.8 SHR organises directors' orientation, where the CEO or Senior Executives briefs new directors on business operations, approaches to business management, and other necessary information useful for taking up the directorship. SHR prepares documents for new directors comprising key information such as business description, business structure, management structure, directions and strategies for business operations, charters of the Board and/or subcommittees, Manual of Listed Company Directors, manual of independent directors, and other manuals related to serving on subcommittees (if applicable).

Moreover, to increase the efficiency of the directors' performance, SHR encourages the directors, executives, and employees responsible for SHR's corporate governance to attend training and seminars in courses beneficial to their work in cooperation with other institutions, such as Thai Institute of Directors (IOD), SET, and Thai Listed Companies Association. SHR also distributes training schedules beforehand to all directors and subsidises all costs of attendance. The goal is constant work improvement.

In 2019, two Directors attending training courses for directors arranged by the Thai Institute of Directors (IOD) are as follows:

Director	Position	Course
1. Mr. Sompong Tantapart	Chairman of the Board Independent director Chairman of the Audit Committee	Advance Audit Committee Program (AAP) Class 33/2019
2. Mr. Chak Boon-Long	Independent director Audit Committee	Director Certification Program (DCP) Class 271/2019

3.9 To ensure the smoothness of the Board's operation and access to essential information, the Board appoints the Company Secretary with necessary and appropriate knowledge and experience to support the Board's operations as follows:

- The Board meets at least every three months and can schedule extraordinary meetings if necessary. The meeting should be fully attended unless there is a necessity which cannot be avoided, and when the meeting is to consider for resolutions on important matters or significant transactions that should be included, and items required by law to be approved by the meeting of the board of directors. Every year the Board schedules meetings in advance to ensure that the Board members can allocate their time for the meetings.

In 2019, SHR held eight Board meetings. The details of the meeting attendance of each director are shown in the table of the Meeting Attendance and the Remuneration of Directors in 2019.

- Two or more directors may request convening a Board of Directors meeting. The Chairman shall fix a date of the meeting within 14 days from the date of the request.

- To constitute a quorum, at least half of the total number of directors must be present. The Chairman presides over the meeting. If the Chairman cannot perform his or her duty, he or she may designate the Vice Chairman to take his place. In the case that there is no Vice Chairman, or the Vice Chairman cannot perform his duty, the directors present at the meeting shall among themselves elect any one of them to preside over the meeting.
- All resolutions of the Board meeting shall be decided by a majority of the votes of the directors present. In the case of a tie in votes, the Chairman of the meeting shall cast one extra vote as a decisive vote. Any director who has an interest in any resolution is not entitled to vote on such resolution.
- The Chairman approves the agenda of the meeting in consultation with the CEO and the Company Secretary. Directors can propose meeting agenda items for inclusion to the Chairman in advance before each Board meeting date.
- The Company Secretary will send to the directors an invitation letter to the Board meeting along with the agenda and complete accompanying documents at least seven days in advance for sufficient study time before each meeting, except for an emergency in which

the rights or benefits of the Company must be preserved, in which case the Company may tender a notice of invitation to the Board meeting by other means and give a shorter notice period.

- During the meeting, the Chairman allocates sufficient time for and encourages all directors to freely express their views and ask questions, encourages executives or concerned management to participate in the meeting to provide information or explanation of related issues, and controls the meeting to be brief and completed in the time allotted.
- The Board can seek professional opinions on business operations by hiring external advisors on the Company's expenses.
- Non-executive directors shall meet separately in the absence of executive directors and the management at least once a year to discuss or exchange their views on any issues related to their responsibilities.
- The Company Secretary must ensure the meeting minutes are composed and finished within 14 days after the meeting, and then presented to all directors. The meeting minutes include details of proposals, opinions of the Board, and resolutions, and are to be systematically filed along with accompanying documents.

The Board appoints a person who is knowledgeable, competent, and suitable as Company Secretary by establishing and filing important documents such as director roster, Board meeting notices, minutes of Board meetings, minutes of shareholders' meetings, and annual reports, maintaining reports on vested interests filed by the directors, and executives, and holding Board meetings and shareholders' meetings. Moreover, the Company Secretary provides recommendations on laws and regulations for the Board, oversees the Board's activities, and coordinates and monitors compliance with the resolutions of the Board and shareholders' meetings.

Principle 4 Ensure Effective CEO and People Management

- 4.1 The Board, jointly with the Human Resources and Brand Culture Vice President, prepare a CEO Succession Plan to ensure business continuity if the position becomes vacant. The Committee is to nominate a person to assume the position by selecting a competent, qualified person with experience beneficial to the Company's operations from either inside or outside the Company. The committee is also responsible for regularly reviewing this succession plan.

The Board assigns Human Resources and Brand Culture Department to develop succession plans for Senior Executives and puts in place a system for personnel development for them to become ready to assume such positions. Moreover, the CEO may serve as a director in other companies, but such position(s) must not obstruct the work as CEO. Moreover, the business type must not be the same as or must not compete with the Company's business. The CEO must seek prior approval from the Board before taking up directorship of another Company.

- 4.2 The Board considers and reviews the annual CEO Performance Evaluation Form by determining each year's performance goals with the CEO. The evaluation then compares performance results against the annual goals. The Board will use the evaluation result to determine appropriate annual remuneration for the CEO that is attractive and comparable to industry peers.

The criteria for CEO evaluation can be divided into

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|---------------|--|
| Part 1 | Corporate KPIs of the Company and policies that the Board has prioritised. |
| Part 2 | Evaluation of management |
| Part 3 | Development of the CEO's career and other suggestions. |

SHR discloses information on the remuneration of individual directors and the overall remuneration of the Executives in the Annual Information Disclosure (Form 56-1) and in the Annual Report (Form 56-2) as disseminated on SHR's website and detailed under the Remuneration of Directors and Management Team.

- 4.3 The Board has a policy to understand the structure and relationship of shareholders that may affect the administration of the business and the power to control the management of the business so as not to hinder the performance of the Board. And the Board will ensure the appropriate disclosure of information that may affect the control of the business.
- 4.4 The Board of Directors will monitor and manage the personnel development to have the appropriate knowledge, skills, experience and motivation.

Principle 5 Nurture Innovation and Responsible Business Operation

5.1 The Board values the promotion of value-creating innovations in parallel with benefit to all stakeholders and responsibilities towards society and the environment by promoting actions that add value to SHR according to the changing environmental factors. These may cover the business model, perspectives about the design and development of products and services, analysis of the improvement of production processes and work processes, and cooperation with partners.

5.2 The Board monitors SHR's business operations, as reflected in SHR's operating plans, to ensure responsibility toward society and the environment in accordance with SHR's objectives, core targets, and strategic plans. The Board takes into account the roles of the stakeholders and will provide a mechanism to ensure that the business operates ethically, undertake social and environmental responsibility, and not violate the rights of stakeholders in order to be a guideline for all sectors in the organisation to achieve the main objectives and goals sustainably. The Board has established guidelines for various stakeholders as part of the Corporate Social Responsibility Policy (CSR) and the Charter and Code of Ethics, and will sufficient and reliable disclose sufficient, reliable, and important information that is relevant and necessary to those stakeholders on time.

The Board takes seriously the rights of all stakeholders, namely shareholders, investor, analysts, customers, employees, business partners, the public and society with transparency, appropriateness, equality and fairness.

Shareholders, Investors, and Analysts

SHR treats all shareholders and investors with equality. Directors, Executives, and all employees are committed to working with integrity, transparency, and fairness, taking into account the maximum benefit to the shareholders. They do not engage in conflicts of interest, use inside information for the benefit of their own or their families and friends, and do not disclose confidential information to outsiders. Moreover, SHR recognises and respects the rights of all shareholders, investors, and analysts in having regular access to accurate and essential information regarding SHR's performance. SHR publicises its operating results and essential information through various activities such as meeting investors quarterly at the Opportunity Day event arranged by SET, uploading videos of shareholders' meetings on the

Company's website, the Investor Relations Webpage, and meeting investors in foreign countries.

Customers

SHR builds long-term relationships and cooperation with customers by adhering to the principles of honesty and mutual trust. SHR has a duty to provide maximum satisfaction for the customers of SHR by being responsible, attentive and paying attention to the problems and needs of customers first. By having all executives and employees comply with this policy, the Company ensures that it places great importance to providing good quality service and not stopping to develop new services that are effective for the Company's customers. In addition, the Company will operate and conduct business with its customers based on ethics, strictly abide by the agreements, agreements and trade conditions, keep confidential information of customers and not use the information to seek benefits for themselves and their allies, except with the consent of the customer.

Employees

Employees are considered the most valuable resources. Therefore, SHR strictly complies with laws regarding labour, social welfare, and human rights. It is SHR's policy to treat all employees with fairness, equality, and without discrimination regardless of differences in race, place of birth, skin colour, religion, gender, age, disability, or personal characteristics irrelevant to their duties. It is committed to ensuring that all employees have a healthy work attitude, awareness of duties and responsibilities, pride and confidence in the organisation, as well as focus on teamwork. SHR's core value and organisation culture to be instilled in all employees is "PRIDE". SHR also encourages employees to take various training courses relevant and useful to work. It pays attention to employees' health by arranging annual physical check-ups for all employees, promoting safety and good work environment, and providing sufficient and suitable remuneration and welfare. Moreover, the consideration of employees' remuneration is mainly based on the assessment of their performances, relating to the Company's short-term and long-term operating results, against their industry peers.

In addition, the Company also focuses on continuously promoting and developing personnel to have knowledge and ability. SHR considers the rights of employees as a priority, and give the opportunity to the employees to file a complaint in case of unfair treatment via various channels such as the comments box or through the

Human Resources department. SHR is responsible for providing a safe, hygienic and conducive working environment for effective work.

Business Partners

SHR treats its business partners with honesty and equality to ensure that the Company's business operations are appropriate, fair and benefit both parties. The Company advocates sustainable development and being long-term partners. SHR will choose to do business with partners from various conditions such as price, quality, control and environmental protection, technical expertise, legal compliance, trust, and adherence to the right things.

Business Competitors

Under the Company's policy guidelines, it is committed to operating business in compliance with laws and regulations based on fairness and transparency, abstaining from seeking business competitors' confidentiality through dishonest and unlawful means, slandering business competitors, engaging in anything that is false and unfair, and violating others' intellectual property rights.

Creditors

SHR creates relationships and treats with creditors with honesty, mutual trust, responsibility, attentiveness to various conditions as agreed with the creditors. SHR manages loans in accordance with objectives and will not spend money in a way that may cause damage to the Company. The Company aims to manage the capital with the most efficiency so that the creditors are confident in the financial status and repayment ability of the Company. If the Company is unable to comply with the obligations in the contract, it will hurry to inform creditors to find solutions together. During the past year, there was no payment default occurred.

Communities, Society, and the Environment

SHR is well aware that it must be responsible for communities, society, and the environment. Therefore, its business is conducted under the principle of creating mutual values among business and society. It emphasises environmental protection by promoting efficient and effective resource use to help reduce energy consumption, to prevent the operations of the Company from causing damage to the quality of life of a society, communities and the environment.

The Company and employees are committed to conducting business responsibly to benefit the society and community, to behave themselves towards neighbourhood communities with friendliness, to help and support the development of communities be well-being, as well as to be responsible for the Company's business operations with fairness and equality to promote sustainable development.

In addition, the Company must treat the environment in accordance with the social responsibility policy, support conservation of natural resources for sustainability, and support environment and natural resources conservation projects. The Company discloses various activities including the support of employee participation that demonstrates the implementation of the social responsibility policy. The Company also oversees the preparation of corporate social responsibility reports in the annual report.

Related Government Agencies

Various government agencies ensure that the Company comply with relevant laws and regulations. The Company supports various government activities on any appropriate occasions. The Company will adhere to providing services and selling quality products and services and in accordance with the law. In addition, the Company will treat government and government agencies with political neutrality as specified in the Charter and Code of Conduct (Anti-Corruption Policy).

- 5.3 The Board will monitor the management to allocate and manage resources efficiently. The Company takes into account the impact and the development of resources throughout the value chain in order to achieve the main objectives and goals sustainably. The resources concerning the Company are at least of 4 types: financial capital, human capital, social and relationship capital, and natural capital.
- 5.4 SHR and its subsidiaries use information technology as a tool for their operations of various work systems and customer service. The system and the information, whether in the form of files, databases, documents, etc., are considered important assets of the Company. Therefore safety measures were established to protect computer systems and information security to ensure that various systems and information are in accordance with the Computer Crime Act and other related laws.

Principle 6 Strengthen Effective Risk Management and Internal Control

6.1 The Board will ensure that the Company has a risk management system and internal control to achieve the objectives effectively and complies with relevant laws and standards.

6.2 The Boards appointed at least 3 Audit Committees, all of whom must be independent directors that do not have prohibited characteristics under the relevant laws. The Audit Committee must have the qualifications and duties in accordance with the regulations of the Office of the SEC and the Stock Exchange of Thailand. The Committee must perform various duties as assigned by the Board which includes the duty to review financial reports, internal control system, legal compliance, independence of the Internal Audit department, Selection of auditor, disclosure of Company information, and preparation of the Audit Committee's report, as these items appears in the Audit Committee charter.

6.3 The Board monitors and manages any potential conflicts of interest between the Company and the Management, the Board, or shareholders. The Board also prevents undue use of property, information about the Company, and transactions with persons who have a relationship with the Company in an inappropriate manner. The Company set out a guideline in the Charter and Code of Conduct and internal data usage policy in writing. The details are as follows:

- Report of Conflicts of Interest: To comply with Announcement of the Capital Market Supervisory Board (CMSB) Tor Jor 2/2552 Re: Report of Directors, Executives, and Other Related Persons' Change of Interest, the Board approved the criteria for preparing a report on Directors' and Executives' vested interests annually and any changes to be reported quarterly. The Company Secretary is responsible for compiling and sending copies of such report to the Chairman of the Board and the Chairman of the Audit Committee within seven days after the date of receipt. The information, however, is kept for internal use only.
- Consideration of entering into connected transactions: In deliberating connected transactions, the Director(s) or Executive(s) with vested interests is not allowed to join the meeting or pass any approval concerning the issue. The Chairman will ask each Director to identify himself/herself and abstain from voting or leave the meeting until such agenda has passed. It is the Company's policy to engage in any transactions with

related parties on an arm's length basis, namely at the market price and in the normal course of business, with primary regard for the best interests of the Company.

6.4 The Board has a clear Anti-Corruption policy. The Company communicates with all levels of the organisation and third parties for actual implementation. The Board will arrange a project or a guideline to fight corruption, and support activities that promote and encourage all employees to comply with relevant laws and regulations.

6.5 The Board set up a mechanism for receiving complaints and taking action in case of whistleblowing and specified a clear guideline in the policy on accepting whistleblower complaints by providing channels for receiving complaints, and/or comment by mailing to the Company S Hotels and Resorts Public Company Limited, 123 Suntowers Building B, 10th Floor, Vibhavadi-Rangsit Road, Chom Phon, Chatuchak, Bangkok 10900. The Top Management can also be contacted through e-mail at comsec-shr@shotelsresorts.com. The Board will protect the whistleblowers by not disclosing their personal information but will keep it confidential. First, the Internal Audit will compile a summary of the issues and present them to the Audit Committee for proof and fact finding. If there is any information that may affect the Company, the Committee must present to the Board for further consideration.

Principle 7 Ensure Disclosure and Financial Integrity

The Board is aware of its role to maintain financial credibility with its shareholders and stakeholders through reliable financial reporting and auditing, as well as monitoring the adequacy of liquidity and ability to repay loans. However, if the business situation is facing financial problems or is likely to encounter ones, the Board will ensure that the business has a plan for resolving problems or other mechanisms that can solve financial problems, under consideration of the rights of stakeholders and reasonability. Moreover, the Board focuses on transparent, accurate, and complete disclosure of information in a timely manner, both financial and nonfinancial, to the shareholders, investors, analysts, mass media, and stakeholders. Respecting the right of equal access for all parties, the Company has therefore prepared regular disclosure of information in Thai and English through various communication channels:

- The Company's website and Investor Relations Webpage: www.shotelsresorts.com
- Electronic system for disclosure of news and information of SET and SEC
- Annual Information Disclosure (Form 56-1) and Annual Report (Form 56-2)
- Various media, such as newspapers and magazines
- Information released to analysts and investors visiting the Company and meeting the executives
- Domestic and overseas roadshows
- Sending notices of shareholders' meetings and key information through postal mail
- Meeting with investors at the Opportunity Day event, organised quarterly by SET, to communicate operating results and key information
- Press conferences to disclose key Company investment projects after dissemination on SET Portal.

SHR sets out its practices for disclosure of information as follows:

- Confidential information must be disclosed without discrimination.
- It will not publicise material information that could affect share prices until it has notified SET, in which case it will immediately post such information on its website.
- It has no policy to comment on rumours or speculations that could skew the Company share trading, particularly where it is clear that such rumours are not originated by SHR.
- SHR has set a silent period (non-communication for executives and Investor Relations regarding disclosure of financial information and general information to analysts and investors) at one month before the announcement of its operating results, quarterly and annually, to the public. This is to prevent inappropriate disclosure of information or unfair release of information that may affect the prices of Company securities.

In compliance with the information disclosure rules of SEC, SET, and/or other supervising agencies, the Company discloses the following material information:

- (1) Financial position and financial performance
- (2) A report on the Board's responsibility for financial statements and the external auditor's report that are disclosed next to each other in SHR's annual reports.
- (3) A report on vested interests of Directors, Executives, and other related persons/changes in their holding of SHR's shares
- (4) The roles and duties of the Board and subcommittees, the number of their meetings, and individual directors' attendance
- (5) Directors' remuneration policy, including the form and amount of remuneration received by individual directors
- (6) CG Policy, Code of Conduct, an Anti-Corruption Guidelines, and subcommittees' charters
- (7) Report on sustainable development and CSR under GRI
- (8) Other relevant information, including SHR's vision, mission, risk factors, shareholding structure, business description, internal control, connected transactions, and legal disputes, and others
- (9) Information about the acquisition/disposal of assets and connected transactions, and others.

To prevent conflicts of interest, the Board has defined the criteria for the preparation of annual reports on Directors' and Executives' vested interests along with quarterly reports of subsequent changes, the information of which is kept for internal use only. Strictly adhering to the Company's information disclosure policy and CG principles, Investor Relations represents the Company in communicating and providing accurate information to, as well as sharing opinions with, shareholders, institutional investors, securities analysts, and various stakeholders through the following conveniently accessible channels:

Investor Relation

S Hotels and Resorts Public Company Limited
123 Suntowers Building B, 10th Floor, Vibhavadi-Rangsit Road, Chom Phon, Chatuchak, Bangkok 10900
Tel : +66 (0) 2058 9888
Email : IR@shotelsresorts.com

In 2019 the activities of Investor Relations included the following:

Type of activity	Times
One-on-one Meeting	8
An investor conference by phone	1
Meeting investors on the Opportunity Day	1
Analysts meeting	1

Principle 8 Ensure Engagement and Communication with Shareholders

The Board recognises the importance of the shareholders of the Company by ensuring that the shareholders receive fair treatment and the shareholders can fully exercise their basic rights as shareholders, such as (1) the right to buy or sell shares (2) the right to receive dividends from the Company (3) the right to receive relevant information via the Company's website or the website of SET, or by any other means (4) the right to participate in a meeting to exercise the right to vote in a shareholders' meeting independently to appoint or remove directors, to consider the remuneration of Directors, appoint auditors, dividend payment, to determine or amend the regulations or memoranda of association, capital reduction, increase of capital and issue new shares, as well as the right to ask questions to the Board regarding the report of the Board and any other matters proposed to the meeting for consideration and approval, the right to propose meeting agendas and to nominate persons to be elected as Directors, and participation in decision-making on important matters of the Company in which every shareholder has the right to vote according to the number of shares he holds and each share has one vote.

It is the Company's policy to treat all shareholders with fairness, regardless of gender, age, colour, race, nationality, origin, religion, beliefs or political views without discrimination against any group or individual shareholders. Moreover, the Company has a policy to encourage and facilitate the full exercise of rights relating to shareholders' meetings. The following measures were undertaken:

1. SHR holds its AGM within four months of the end of its accounting year to inform the shareholders about its past performance and avoids setting the meeting date close to public holidays.
2. SHR prepared its meeting notice along with the relevant documents in Thai and English, indicating the meeting date, time and venue, including other details comprising a map of the meeting venue, an invitation letter, minutes

of the previous meeting, the Annual Report in QR Code form, meeting agenda with explanation of objectives, details, directors' opinions and information required for consideration of each agenda item; explanation of credentials to be presented for attending the meeting, a list of all independent directors who serve as proxies for voting; Company articles of association concerning shareholders' meeting, a registration form with a barcode, and proxy forms. All these were mailed to shareholders no later than 14 days before the meeting date and publicised on its website at least 28 days in advance so that shareholders may have time to study and acquire sufficient, accurate and complete information before casting their votes. The meeting notice was also advertised for three consecutive days in Thai and English newspapers at least three days before the meeting to announce the calling of the shareholders' meeting in advance.

3. SHR facilitated shareholders who could not attend the meeting in person by enclosing Proxy Form B (as specified by the Ministry of Commerce), the invitation letter and a list of independent directors serving as proxies. Detailed explanation of credentials to be presented for attending the meeting was also enclosed so that shareholders might prepare appropriate documents. Shareholders could also download Proxy Forms A, B and C (for foreign shareholders who appoint custodians in Thailand) from the Company's website and appoint proxies or appoint independent directors as notified in the invitation letter as proxies. Stamp duties were also provided for shareholders' and institutional investors' proxies on the actual day.
4. SHR will refrain from any actions that violate or restrict or deprive the right of shareholders to access the Company's information that have to be disclosed according to various regulations and in the shareholders' meeting, for example, by not unexpectedly presenting documents with important information and not adding

meeting agendas or changing important information without notifying shareholders in advance.

5. SHR allowed and encouraged institutional investors to pre-register to save time for document review on the actual day.
6. A barcode system was used to ensure the accuracy and efficiency of the vote-counting process. The registration is open two hours before the meeting. After two hours, shareholders could still register until the vote counting of the last agenda was done if they wished to attend the meeting without losing rights. The Company also prepared stamp duties to facilitate shareholders on the actual day.
7. SHR provided independent legal advisers and shareholder representatives to verify the accuracy and transparency of the vote-counting process on each agenda item. It also invited an internal auditor to attend the shareholders' meeting to provide answers about the Company's financial report.
8. The Chairman allotted time and opportunities for the shareholders to fully express their views and ask questions. The Chairman of the Board, the Chairman of each subcommittee, all Directors, Senior Executives, as well as external auditors, financial advisers and/or legal advisers related to the agenda of each meeting attended the meeting to answer shareholders' questions.
9. All resolutions of the meeting as well as the results of the voting on each agenda item were reported via SET portal and uploaded onto the Company's website immediately after the meeting or no later than 9.00 A.M. on the following work day.
10. The minutes of the meeting containing detailed records of all essential contents in line with good CG principles were prepared and submitted to SET and SEC within 14 days of the meeting. The Company also disseminated on its website the minutes in Thai and English along with a video recording of the meeting and informed the public about such dissemination via SET's channel.
11. The Company encouraged all shareholders to propose meeting agenda items, nominate Directors, and submit questions in advance no less than three months before the 2020 AGM, which was from 25 November 2019 to 31 January 2020. Criteria and conditions were announced on the Company's website.
12. The Chairman conducted the meeting by the agenda and all issues outlined in the meeting notice without adding any agenda item.
13. Before the meeting, the Company informed the shareholders about the number and ratio of shareholders attending in person and assigning proxies, the steps and the voting process. Each shareholder had one vote per

share. After summarising the vote counting result of each agenda item, shareholders were informed about the result and resolution of such agenda item.

14. SHR prepared ballots for voting on each of the agenda items. As for election of directors, individual voting is required to ensure transparency and auditability.
15. To prevent potential conflicts of interest, Directors and Executives are required to disclose information on the vested interest of themselves and related persons, while Director(s) or Executive(s) with vested interests in any transaction of the Company is not allowed to take part in any deliberation for the approval of such transaction.
16. The Company's securities trading policy forbids all Directors, Executives and employees from using or disclosing information for the benefit of themselves or related persons any inside information that is not yet publicised or could significantly affect share prices.

SUBCOMMITTEES

In 2019, the Board assigned the Audit Committee with the duties and responsibilities to help ease the burden by defining various duties and responsibilities according to the charter of the Audit Committee.

The Audit Committee ("AC")

The Audit Committee consists of at least three independent directors, with qualifications of independence under the announcement of SEC. At least one of them must possess adequate expertise and experience in accounting and finance to review the creditability of financial reports.

As of 31 December 2019, the AC comprised the following three independent directors:

1. Mr. Sompong Tantapart	Chair
2. Mr. Jukr Boon-Long	Member
3. Mr. Praisun Wongsmitth	Member

Mr. Sompong Tantapart has adequate expertise and experience in accounting and finance to review the creditability of financial reports. Ms. Pawornsiree Tipchaieur, Assistant Vice President of the Internal Audit, served as secretary to the AC.

Scope of duties and responsibilities of the AC

1. To review SHR to ensure that it has accurate and sufficient financial reporting in accordance with financial reporting standards by coordinating with external auditors and management responsible for preparing quarterly and annual financial reports. The AC may suggest that

the auditor review or examine any transactions that are important and necessary during the Company's audit.

2. To review SHR's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the head of Internal Audit or any other unit in charge of Internal Audit.
3. To review SHR's compliance with the Securities and Exchange Act, SET and the Capital Market Supervisory Board requirements, and/or laws related to the Company's business and subsidiaries. As well as to review the subsidiaries and associates to ensure they comply with the rules and regulations, and management of subsidiaries that operate core businesses and associates that operate core businesses.
4. The AC should hold a meeting to consider various matters as assigned as follows:
 - 4.1) The review of financial statements and related financial reports, accounting principles and accounting practices, compliance with accounting standards, the existence of the business, significant changes in accounting policies, and the reasoning of management regarding accounting policy determination before submitting to the Board for distribution to shareholders and general investors.
 - 4.2) The review of the internal control and internal audit.
 - 4.3) The review of the Company's annual audit plan, the process of coordination of relevant audit plans, and the evaluation of the inspection together with the internal auditor, and the auditor. The Audit Committee should inquire about the planned audit scope to ensure that the audit plan will help detect fraud or defects in the internal control system.
 - 4.4) The review with the internal auditor regarding problems or limitations that occur during the audit, and reviewing the performance of the internal auditor.
 - 4.5) The review with the auditor about problems or limitations arising from the audit of financial statements.
 - 4.6) The review with internal auditors and auditors to ensure that there are plans to review methods and controls for electronic data processing and inquire about specific security programmes, to prevent fraud or misuse of the computer by the employees of the Company or outsiders.

4.7) The review of transactions that may cause conflicts of interest, such as connected transactions of the Company.

4.8) The compliance with the Securities and Exchange Act or SET regulations, and/or other related laws.

4.9) Any other duties assigned by the Board.

5. To consider, select, and appoint independent individuals to act as the Company's auditors and propose the remuneration of the said person. To attend meetings with auditors without the attendance of management at least once a year to acknowledge the quarterly financial statement review, annual financial statements, audit results, and discuss the problems and obstacles that may arise from the work of the auditor.
6. To consider the connected transactions, transaction that may cause conflicts of interest, requirements, cancellation of transactions different from the requirements of the cancellation of transactions which were reviewed before the substantial making of transactions. And to review the acquisition or disposition of the Company and its subsidiaries to ensure that the aforementioned transactions are reasonable and to the highest benefits to the Company. If the AC does not have the expertise in reviewing the connected transactions or transactions of other kinds, the Company will have an independent expert or the Company's auditor provide opinions on the connected transactions or other transactions for the consideration and/or decision of the AC.
7. To review, assess, and monitor the risk management results from the risk management group.
8. To review the AC Charter at least once a year to submit to the Board for approval.

Authority

1. To perform any acts as assigned by the Board and agreed by the AC.
2. To request independent opinions from advisors in other professions as necessary in order to be able to perform duties according to the Charter efficiently at the Company's expense. The employment is in accordance with the Company's rules.
3. To request information from various departments of the Company and its subsidiaries for further consideration in various matters. The AC may invite the executives, management, supervisors, employees, or related persons to attend the meeting to clarify, deliver, and provide relevant information within the scope of duties assigned by the Board.

4. To perform any other duties as required by law, including future laws.

Reporting

1. The AC must prepare operational reports to the Board at least once a year.
2. The AC must prepare a report of the AC in the Company's annual report. The report must be signed by the Chairman of the AC and must contain at least the following information:
 - 2.1) An opinion on the accuracy, completeness, and reliability of the Company's financial statements.
 - 2.2) An opinion on the adequacy of the Company's internal control.
 - 2.3) An opinion on the Company's compliance with the Securities and Exchange Act, requirements of SET, or other laws related to the Company's business.
 - 2.4) An opinion on the appropriateness of the auditor.
 - 2.5) An opinion on the transactions that may cause conflicts of interest.
 - 2.6) The number of the AC meetings and the attendance of each member of the AC.
 - 2.7) An opinion or overall observations that the AC received from performing the duties under the Charter.
 - 2.8) Other items that should be known by shareholders and general investors, within the scope of duties and responsibilities assigned by the Board.
3. The AC must regularly report to the Board in order to keep the Board informed of the actions of the AC.
4. If the AC suspect that there are transactions or actions that may have a significant impact on the Company's financial status and operating results such as these following items:
 - 4.1) Transactions that cause conflicts of interest,
 - 4.2) Fraud or irregularities or significant defects in the internal control system,
 - 4.3) Violation of the Securities and Exchange Act, the regulations of the SET, or laws related to the Company's business,

The AC shall report to the Board for improvement within the time that the AC deems appropriate. If the Board or the Executives do not make improvements within that time, any member of the AC may report such transactions or actions to the SEC or the SET.

5. In case there is a change in the duties of the AC, the Company shall notify the resolution of the change in duty and prepare a list of names and scope of work of the AC that is changed with the form specified by the SET and deliver to SET within 3 working days from the date of the change by the methods declared in the regulations of SET on reporting through electronic media.

NOMINATION AND APPOINTMENT OF DIRECTORS AND SENIOR EXECUTIVES

Nomination and appointment of directors

Criteria and procedures

The Company recruited and nominated qualified persons under securities and exchange laws and in line with the Company's defined qualifications to be selected as a Director of the Company. In so doing, the following channels will be considered:

- An opportunity given for shareholders to nominate Directors during at least a 3-month period before each AGM, the latest one being from November 25, 2019 to January 31, 2020, under the criteria and terms announced on the Company's website.
- Persons recommended by the Company's Executives, directors, and reliable external sources, including Director pool.
- Qualified persons recommended by professional search firms.
- An opportunity given for directors to nominate qualified persons.

The Company reviews annually the Directors' skills and characteristics together with the Board's overall composition conforming to the Company's strategy and business direction. Then, the Board Skill Matrix is tabled annually for consideration of the gap of necessary skills and set-up of nomination criteria. In such reviews, the Board also considers the diversity of skills, expertise, proficiency, experience, and other special competencies of directors, regardless of age and gender.

Qualifications of Directors and independent directors are disclosed in Item 3.1 of Responsibilities of Directors, under "Corporate Governance".

Recruitment and appointment processes

- **When a position becomes vacant with term completion for a given director.**

In the case that the position of a Director becomes vacant due to the expiration of the term, the Company allows the shareholders to propose a list of qualified persons under the Securities and Exchange Act and the qualifications specified by the Company in order to be elected as a Director of the Company in advance before the annual general meeting of shareholders. The criteria and conditions will be announced on the website of the Company. The Company has specified the minimum shareholding ratio for shareholders with the right to nominate directors in advance. A shareholder must hold shares not less than 1 percent of the total voting rights of the Company. The Company Secretary will consider, select and nominate qualified persons according to the laws and regulations by considering experience, knowledge, and capability that will benefit the Company for the Board to consider. When the meeting of the Board passes a resolution approving the proposal, the Company will nominate the said person to request approval for election as a Director in the general meeting of shareholders. the Company will select the one with the majority votes of the shareholders who attend the meeting and have the right to vote.

Directors' election conforms to the Company's regulations and relevant laws, which must be transparent and clear. Below are the criteria and methodology of directors' election at a shareholders' meeting:

- 1) Each shareholder's votes equal his or her number of shares held, one share per one vote.
- 2) Voting is to be done for individual nominees, for which each shareholder is to exercise his or her entire votes for individual directors, one by one.
- 3) To pass the resolution for Director appointment, it requires a majority vote of the shareholders who are present at the meeting and entitled to vote.
- 4) Those that secure the highest votes, and those with the second highest votes, and so on, are regarded as being elected, matching the number of Directors to be elected. Should there be more than one person with equal votes for a given position, the Chairman of the meeting is to cast a deciding vote.

- **Position becomes vacant for other reasons.**

The Board recruits and nominates qualified persons without any legal prohibitions as defined by the Public Limited Companies Act for appointment replacing the resigned director(s) at the next Board meeting. An exception applies if the remaining term is less than two months, in which case an approval is needed from the AGM. In any case, the term of the replacement director is only as long as that remaining of the resigned one. The decision of the Board in this case needs no less than three-quarters of the remaining directors on the Board.

Director removal and dismissal

- 1) Besides completing their terms, directors may leave their positions in the following cases:
 - 1.1) Death
 - 1.2) Resignation
 - 1.3) Lack of qualifications or having forbidden qualities under the Public Company Act.
 - 1.4) Dismissal by shareholders' votes
 - 1.5) Court order
- 2) Directors who wish to leave their positions are required to submit a resignation to the Company, which becomes effective from the date it is received by the Company. Such directors may also notify the public limited Company registrar.
- 3) The shareholders' meeting may decide to have any Director leave his or her position before term completion with a vote of no less than three-quarters of the attending eligible voters, which is no less than a half of the total shares of the attending eligible voters.

If the entire Board leave their positions, they are to remain in office to carry on business only as essential until the new Board takes office, except otherwise ordered by the court for the Board that leaves their positions at the court's order.

The Board that left their positions are to hold a shareholders' meeting to elect the new Board within one month after leaving their positions. To this end, it sends meeting notices to the shareholders no less than 14 days ahead of the meeting date, which are advertised in newspapers for three consecutive days and no less than three days ahead of the meeting date.

Nomination and Appointment of Senior Executives

Nomination and Appointment of the CEO

The Board prepares a CEO Succession Plan to ensure business continuity if the position becomes vacant. The Board will nominate a qualified person to assume the position by selecting a competent, qualified person with experience beneficial to the Company's operation from either inside or outside the Company before tabling his or her name to the Board for appointment. The Board is also responsible for regularly reviewing this succession plan as well as the list of those eligible for succession.

Nomination and Appointment of Senior Executives

The CEO recruits qualified person(s) suitable for the positions, duties, and responsibilities from those competent ones with experience beneficial to the Company. Such selection must conform to Human Resources and Brand Culture's personnel recruitment protocols.

Human Resources and Brand Culture develops succession plans for senior executives and puts in place a system for personnel development for lesser positions to become ready to assume such positions.

Governance of Subsidiaries

At present, the Company has 36 direct and indirect subsidiaries and 16 associated companies. the Company has a policy to supervise and manage its subsidiaries and associates with the following guidelines:

In this regard, "subsidiary companies" and "associated companies" means a subsidiary Company or an associated Company that operates core businesses as specified in Clause 24 in which the combined size is specified in Clause 23 (2) of the Notification No. 39/2559 according to Clause 2 (11) and Clause 2 (13) of the Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551 regarding the definition of definitions in the announcement regarding the issuance and offering of securities (and which has been amended).

If this policy specifies that any transactions or actions that have a significant effect on the financial status and operating results of the subsidiary or associated company are subject to approval from the Board of the Company or the shareholders' meeting of the Company (As the case may be), the Company's directors is responsible for arranging the board meeting and/or the meeting of shareholders of the Company to consider and approve the matter before the

subsidiary or associated companies hold a Board meeting, and/or organise a shareholder meeting to consider approving the transaction or proceed on that matter. In this regard, the Company shall completely and correctly disclose the information and comply with the rules, conditions, and procedures related to the matter to be approved as defined in the Public Company Act, the Civil and Commercial Code, the Securities and Exchange Act as well as the announcements, rules and regulations of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission (As far as not contradicting or contradictory).

1 In the following cases, a subsidiary or an associate (as the case may be) must be approved by the meeting of the Board of the Company before executing transaction or operation:

- (1) Appointment or nomination of a person as a Director and Executive representative of the Company for subsidiaries or associates, at least according to the Company's shareholding proportion in the said subsidiary Company or associated company.

Except that this policy or the Board of the Company specifies otherwise, directors and executives at the Company will appoint or nominate persons with the discretion to vote in the Board of the subsidiaries and associated companies in matters relating to general management and normal business operations of the subsidiaries and associated companies as the Directors and Executives deem appropriate for the best interest of the Company, and subsidiaries or associates (depending on the case).

The above Directors or Executives who are appointed or nominated must be the persons whose names are listed in the list of Directors and Executives of the issuing Company (White List) and must have the qualifications, roles, duties and responsibilities as specified as stipulated in relevant laws. Also those persons must not have a lack of trustworthiness in accordance with the SEC's announcement regarding determination of a lack of trustworthiness of Directors and Executives of the Company.

- (2) Capital increase through the issuance of shares in subsidiaries and allocation of shares. The reduction of registered capital, and/or the paid-up capital of the subsidiary which is not in accordance with the existing shareholders' proportion. Any other actions which will result in the direct and indirect proportion of voting rights of the Company at the shareholders' meeting of any subsidiaries decreasing by more than

10 percent of the total votes of that subsidiary, unless it is in the business plan or regular budget year of the subsidiary, which has been approved by the Board.

- (3) Consideration and approval of the annual dividend payment, and interim dividends (if any) of subsidiaries.
- (4) The amendment of the regulations of the subsidiary, except for the amendment of the regulations on significant matters under Item 2.5, which must be approved by the shareholders' meeting of the Company.
- (5) Consideration and approval of the Company's total annual budget and all subsidiaries of the Company except as specified in the Line of Authority of the subsidiary.
- (6) The appointment of auditors of a subsidiary, only if the said auditor is not under the audit office that is a full member in the same network as the auditor, which does not comply with the Company's auditor appointment policy. The auditors of a subsidiary must be affiliated with the auditing office in the same network as the auditors of the Company.

Items from item (7) to item (10) are considered significant. And if entering into the transaction, those will have a significant impact on the subsidiary's financial status and operating results. Therefore, before the meeting of the subsidiary's Board, and the Directors that are appointed by the Company to hold positions in subsidiaries to vote in those matters, such directors must be approved by the Board of the Company first. This must be the case when calculating the size of the transaction that the subsidiary will enter into transaction to compare with the characteristics and/or the size of the Company (by using the criteria for calculating the size of transaction as specified in the relevant announcement of the Capital Market Supervisory Board and the Board of Governors of the SET regarding connected transactions or the acquisition of assets (as the case may be) and must be approved by the Company's Board. The following items are:

- (7) If the subsidiary enters into transaction with the connected person of the Company or subsidiary, or transactions relating to the acquisition or disposition of assets of subsidiaries, including but not limited to the following cases:
 - a) The transfer or waive of benefits, and the waiver of claims against the person who caused damage to the subsidiary.

- b) The sale or transfer of the business of a subsidiary in whole or in part to a third party.
 - c) The purchase or acceptance of a transfer of business of other companies to the subsidiary.
 - d) The entering, amending or terminating a contract regarding the leasing of all or some important subsidiaries' businesses. The Assignment of other persons to manage the subsidiary's business. And the consolidation of subsidiaries with other persons with the objective of sharing profit and loss.
 - e) Rental or hire-purchase of business or assets of all subsidiaries or significant parts
- (8) The borrowing, lending, credit granting, guarantees and legal acts that bind a subsidiary Company to have an increased financial burden, or providing financial assistance in any other manners to other persons in significant amounts and is not of a normal business of the subsidiary, except for loans between the companies and subsidiaries.
 - (9) The dissolution of a subsidiary.
 - (10) Any transactions which are not of a normal business of a subsidiary and is a transaction that will significantly affect the subsidiary.

2 Before a subsidiary enters into the following transactions, it must be approved by the shareholders' meeting of the Company with a vote of not less than three-quarters (3/4) of the total number of votes of the shareholders who attend the meeting and have the right to vote.

- (1) If a subsidiary Company enters into transaction with the connected person of the Company or subsidiary. This must be the case when calculating the size of the transaction that the subsidiary Company entered into the transaction comparing with the characteristics and/or the size of the Company (by using the criteria for calculating the size of the transaction as specified in the relevant announcements of the Capital Market Supervisory Board and the Stock Exchange Commission regarding connected transactions or the disposition of assets (as the case may be)) and must be approved by the shareholders' meeting of the Company.
- (2) The capital increase through the issuance of shares in subsidiaries and allocation of

- shares, the reduction of registered capital and/or the paid-up capital of the subsidiary which is not in accordance with the existing shareholders' proportion, or other actions resulting in the proportion of voting rights of the Company directly or indirectly in the shareholders' meeting of any subsidiaries reducing to less than the proportion specified in the law applicable to the subsidiary, which results in the Company losing control over that subsidiary. This must be the case when calculating the size of the transaction compared to the size of the Company, and be in a range approved by the shareholders of the Company (by using the criteria for calculation of items as specified in the relevant announcement of the Capital Market Supervisory Board and the announcement of the SET).
- (3) The dissolution of a subsidiary Company. However, this must be the case when calculating the size of the business of the subsidiary to be dissolved in comparison with the size of the Company (with the rules for calculating the size of the transaction as specified in the relevant notifications of the Capital Market Supervisory Board and the SET regarding the acquisition or disposal of assets) must be in a range approved at the shareholders' meeting of the Company.
 - (4) Any other transactions that are not of a normal business of a subsidiary and that will have a significant impact on the subsidiary (with the rules for calculating the size of the transaction as specified in the relevant notifications of the Capital Market Supervisory Board and the SET regarding the acquisition or disposal of assets) must be in a range approved at the shareholders' meeting of the Company.
 - (5) The amendment of the rules of a subsidiary Company in matters that may have a significant impact on the financial status and the operating results of the subsidiary. This includes, but is not limited to, amendments to the rules of subsidiaries that affect the voting rights of the Company at the meeting of the Board of the subsidiary, and/or the shareholders' meeting of subsidiaries, or the dividend payment of the subsidiary.
- 3 The Company's Board monitors and ensures that the Board of subsidiaries and associated companies proposed or appointed by the Company will perform the duties and responsibilities according to the laws and Company policies.
 - 4 The Company's Board monitors the subsidiaries' operations in accordance with the work plan continuously to ensure that the subsidiaries disclose information, financial status, performance, connected transactions, acquisition or disposition of assets, other significant transactions with the Company, and various operations in accordance with the regulations on supervision and management of the subsidiaries and associated companies are complete and accurate according to the relevant announcements of the Capital Market Supervisory Board and the SET (depending on the case).
 - 5 Directors and executives of the Company or subsidiaries have the following duties:
 - (1) Directors and Executives of the Company or subsidiaries must disclose information about financial status and operating results, transactions related to the Company or subsidiary, and the acquisition or disposal of significant assets for the Company with precision and within a reasonable time as specified by the Company. The Board of the Company or subsidiaries must review the execution of transactions, acquisition or disposition of significant assets of the Company or subsidiaries by using relevant notifications of the Capital Market Supervisory Board and the announcement of the SET Commission.
 - (2) Directors and executives of the Company or subsidiaries must disclose and deliver the information of their own interests either directly or indirectly, and related parties to the Company's or subsidiaries' Board to make them aware of the relationships and transactions with the Company or subsidiaries in a manner that may cause conflicts of interest and avoid transactions that may cause conflicts of interest with the Company or its subsidiaries. The Board of the Company or a subsidiaries has a duty to notify the Board of the matter within a reasonable time specified by the Company in order to support any decision or approval. That consideration must be carried out for the overall benefits of the Company or subsidiaries.
- Directors and Executives of the Company or subsidiaries must not participate in the approval of matters in which they have vested interests or conflicts of interest, both directly and indirectly.

The following actions which result in the Directors, Executives, or related parties of the Company or subsidiaries receiving financial benefits other than those that are normally expected, or causing damage to the Company or subsidiaries shall be presumed to be a significant conflict of interest with the Company:

- a) Transactions between the Company or subsidiaries and Directors, Executives, or related persons which do not comply with the rules of connected transactions.
 - b) The use of Company or subsidiaries' information that they have come to know, unless the information has already been disclosed to the public.
 - c) The use of the Company or subsidiaries' assets and business opportunities in the same manner that the Company or subsidiaries (as the case may be) have done and is in violation of the rules or general practice as specified by the Capital Market Supervisory Board.
- (3) Directors and Executives of the Company or subsidiaries must report the business operations, business expansion, large investment projects, and the participation in investing with other operators to the Company through monthly performance reports and explain or deliver documents for consideration of the said case, if the Company requests.
 - (4) Directors and Executives of the Company or subsidiaries must deliver the information or documents relating to the operations to the Company when requested.
 - (5) Directors and Executives of the Company or subsidiaries must clarify or send supporting documents to the Company if the Company detects any significant issues.
 - (6) Directors and Executives of the Company or subsidiaries must provide an internal control system, risk management system, corruption prevention system that is appropriate and concise enough to prevent fraud that may occur to the Company, other systems that are necessary, a clear system to show that the Company has sufficient systems for disclosing information, continuous and credible transactions with significant rules and regulations, channels for the Directors and Executives of the Company or subsidiaries to receive information about the Company for monitoring the results of operations and financial status, transactions between

the companies and the Directors or Executives of the Company, transactions between subsidiaries and Directors and Executives of subsidiaries, and other significant transactions of the Company. The Directors and Executives must also provide a mechanism for checking those systems in the Company by having a team of internal auditors and independent directors of the Company that can access data directly and report the results of those systems' inspection to the Directors and Executives of the Company or subsidiaries to ensure that the Company or subsidiaries follow the established work system on a regular basis.

- 6 Directors, management, staff members, employees, or the persons assigned by the Company or subsidiaries, and their spouses and children who have not yet become sui juris, are prohibited from using the inside information of the Company or subsidiaries of either from acting on duty or in any other ways that have or may have a significant impact on the Company or subsidiaries for the benefit of themselves or the others, whether directly or indirectly and whether or not there is a reward for them.
- 7 The Company must appoint a director in a subsidiary Company for attending the meeting and voting as according to the Company's specification in a subsidiary's Board meeting to consider every matter that is significant to the business of the subsidiary.
- 8 Director, Executive, or any person related to the Company or subsidiaries will be able to make a transaction with the Company or subsidiaries only when they are approved by the Board or the Company's shareholders' meeting, according to the calculated item size defined in the rules of connected transactions.

Supervision of the Use of Inside Information

The Company has defined a policy on the control of the use of inside information, computer system and information technology securities, and information classification as follows :

Guideline for Inside Information Protection

- (1) Inside information is a trade secret, therefore it must be protected from being disclosed to outsiders. This information may be divided into several levels of confidentiality, such as information that can be disclosed, confidential information, secret information, and top-secret information. The common use of inside information must be within the scope of duties and responsibilities assigned to them only.

- (2) The disclosure of confidential information to the public must be approved by the Chief Executive Officer. The CEO may be the one that discloses the information himself if the information is of much significance. They may assign a person with a duty to provide information to the public. The Company has a duty to distribute information to the public. The Company is responsible to the investor relations and the contact with investment agencies in various projects by coordinating with the internal department that owns the information.
- (3) The Company's personnel will not answer questions or give opinions to any other third parties unless they have a duty or are assigned to answer those questions. If there is no duty or assignment, those personnel will politely decline the comments.

Guideline for the use of Inside Information

- (1) The Company will educate the Board, Executives, personnel in management positions in accounting or finance that are department managers or equivalent, and the Company's auditors, plan makers, plan administrators, and temporary plan administrators under the bankruptcy law, on the duty to prepare, disclose and submit the report of holding and changes in the holding of securities and derivatives that belong to them, their spouses, cohabitants, and children who have not yet become sui juris, to the SEC Office in accordance with the provisions of the Securities and Exchange Act, the SEC and the Capital Market Supervisory Board, and relevant penalties under the law.
- (2) The Board, Executives, personnel in management positions in accounting or finance that are department managers or equivalent, and the Company's auditors, plan makers, plan administrators, and temporary plan administrators under the bankruptcy law, have the duty to prepare, disclose and submit the report of holding and changes in the holding of securities and derivatives that belong to them, their spouses, cohabitants, children who are underage, and juristic persons in accordance with the provisions of the Securities and Exchange Act, the announcement of the Securities and Exchange Commission, and the notifications of the Capital Market Supervisory Board, to the Company Secretary before submitting to the SEC. The report shall be prepared in accordance with the form and submitted to the SEC within the following period:
 - (2.1) Seven (7) business days from the date of purchase, sale, transfer or acceptance of transfer of securities or derivatives, if the person with the duty to report is a Director or Executive of the Company, and is within the criteria as follows:
 - (2.1.1) The Company notifies the list of Directors and Executives to the list of Directors and Executives of securities issuing companies in accordance with the procedures specified by the SEC, the SEC's announcement on the notification and methods to notify or change the information of the Company's directors and Executives.
 - (2.1.2) Persons responsible for reporting, buying, selling, transferring or providing a securities transfer service or derivatives, before the date that their names appear in the list of Directors and Executives of the Company under (2.1).
 - (2.2) Within three (3) business days from the date of purchase, sale, transfer of securities or derivatives in cases other than (2).
- (3) Aforementioned personnel at all levels of the Company, including all their family members who receive the internal information of the Company, facts which can affect the price or value of securities and information still undisclosed to the public, are prohibited from using such information, whether for (a) buying or selling of securities whether for themselves or for others, or (b) disclosing internal information to other persons either directly or indirectly and whether by any means that the recipient of the information may use that information to buy or sell securities, whether for themselves or for others, unless it is done in a way that does not take advantage of other persons or in the manner as specified in the notification of the SEC, or (c) persuading others to buy, sell, offer to buy or sell the Company's shares, whether by themselves or through a broker, regardless of whether such actions are done for the benefit of themselves or others.
- (4) The aforementioned personnel and their family members are prohibited from disclosing such undisclosed facts that can change the price or value of securities to others people for the benefits of themselves.
- (5) The Company will regard the illegal use of internal information for the purpose of trading the Company's securities as securities trading for speculation, or as an advantage for a particular group, which is considered an offense under the law, and is considered a disciplinary offence. The Company has set a policy to prevent the use of internal information by requiring that Directors,

Executives, and personnel in management positions in accounting or finance that are department managers or equivalent who have been informed of significant internal information affecting price changes or value of securities, refrain from trading the Company's securities in the period before the financial statements, information about the Company's financial status, and the Company's status until the Company discloses them to the public. The Company will notify the Board, Executives, personnel in management positions in accounting or finance that are department managers or equivalent, and the Company's auditors to refrain from trading the Company's securities in writing for at least thirty (30) days in advance of public disclosure. They should wait for at least 24 hours after the disclosure. They must also not disclose such significant information to other parties.

- (6) Directors, Executives and employees of the Company are obligated to strictly comply with the Company's Charter and Code of Conduct and guidelines for the use of inside information of the Securities and Exchange Act and other relevant regulations.
- (7) Violators of the use of internal information for their own benefits will be disciplined, beginning with written warnings, wage cuts, a leave of absence without pay, or dismissal, depending on the intent of the action and the seriousness of the offence. Those may be punished by law by the relevant departments, as the case may be.

Computer and Information System Security Measures

To ensure the compliance with the policy, the Company established the following computer security and information security measures:

- (1) The computers and information technology of the Company should be used in accordance with the Computer Crime Act and other related laws.
- (2) The Company restricts the access to undisclosed information to only be available for the Chief Executive Officer, Chief Financial Officer, Investor Relations Vice

President, Company Secretary, and as many persons in management positions in related fields as possible. Undisclosed information is disclosed to the employees of the Company as much as it is necessary for them to know. The Company informs its employees that the information is confidential and has restrictions on their use.

- (3) Changes, duplication, deletion, destruction of the Company's information, disclosure of information in the Company's information system are prohibited unless with permission from the Company.
- (4) The Company established a workplace security system to prevent access and the use of data files and confidential documents.
- (5) The share, distribution, and disclosure of usernames and passwords is prohibited.
- (6) The Company's emails must not be used to forward malicious messages or images that cause disparagement, obscenity, intimidation, harassment, annoyance, or things that are against the law.
- (7) The owner of undisclosed information must advise the relevant parties to strictly follow the security procedures.

Compliance with the Corporate Governance Policy

The Company places importance to committing to the Good Corporate Governance Principles for Listed Companies, following the guidelines of the SET and the Securities and Exchange Commission. In 2019, the Board reviewed and deemed the application of Good Corporate Governance Principles for Listed Companies 2017 (CG Code) to be suitable for the business context. They found that the Company was determined to comply more with the principles of Good Corporate Governance in next year and beyond.

However, the Company was unable to comply with the Good Corporate Governance Principles in certain areas, as explained in the topic "Assessment of Compliance with Good Corporate Governance Principles and CG Code".



HUMAN RESOURCES AND BRAND CULTURE



S Hotels and Resorts is highly committed to employee, one of the most valuable assets of our company. We have worked closely with external consultant and have developed our own S Hotels and Resorts Employee Value Proposition. It outlines the structure of Human Resources & Brand culture from creating “awareness” of S Hotels and Resorts as the preferred employer in hospitality industry, “attracting” right caliber personnel through unique offering “recruitment” experience and creating the meaningful “engagement and retention” career journey for employees.

ORGANIZATIONAL DEVELOPMENT AND BRAND CULTURE ESTABLISHMENT

As part of S Hotels and Resorts Employee Value Proposition, we have developed “Our PRIDE Moments” octagon to reflect the commitment that we have towards employees by establishing the structural approach on Recognition, Celebration, Survey & Feedback, Well Being of our employees, Training & support, Team Activities, Community Event and Rewards.

In embracing the working environment that recognize and rewarding the star performers, we have established the Recognition & Rewarding program that allows employees to be recognized and inspire other employees to follow. Monthly celebration such as birthday, work anniversary celebration has been rolled out to engage employees.

We attentively value the feedback through anonymous survey in all activities including training & development. The open-door policy has always been our common practice for the management, this demonstrates the transparency approach that we have towards employees.

In creating opportunities for learning and capability development for the management and employees, S Hotels and Resorts focuses on strengthening knowledge and skills required for each career path to support future business growth. Therefore, it conducts training needs assessment to identify the knowledge and skills required for each function, resulting in training roadmap of each position as well as the annual training plans to train employees for future business expansion. The meaningful and constructive career conversation is taken place to all employees to demonstrate our commitment in career development.



GUIDELINES FOR CODE OF BUSINESS CONDUCT AND ETHICS

Since PRIDE is S Hotels and Resorts' standard for business conduct, and "Integrity" is one crucial value, S Hotels and Resorts particularly values transparency at every stage of business processes. It provides code of conduct and ethics training to all employees from day one. The management lead as role models, strictly observe ethical principles, keep promises given to every sector, and stay true to their duties so that they may serve as models for the entire team. Finally, clear preventive measures and punitive provisions are in place.

GUIDELINES FOR WHISTLEBLOWING

S Hotels and Resorts firmly observes its code of conduct. To demonstrate fairness in particular for complaints and whistleblowing handling, established written practical guidelines of 2019 are communicated to all personnel through internal channels such as announcement via email, notice board, internal communication platform, and training.

OCCUPATIONAL HEALTH, SAFETY AND WORK ENVIRONMENT

We put personnel health, both physical & mental, security and safety at work as one of our priorities, S Hotels and Resorts demonstrates its commitment through activities, communication, and various regulations as follows:

- Improving the work environment in hygiene and safety
- Disseminating safety procedures and assigning all to ensure good housekeeping in work areas and common areas
- Conducting annual medical checkups
- Conducting training and create awareness of Occupational Health, Safety and Work environment trends.
- Establishing rules and eligibility for medical treatment for sick personnel as well as health care and benefits in case of disability and death
- Providing employees with opportunities and venues to express opinions and suggestions to improve occupational safety and work conditions.

In 2019, S Hotels and Resorts achieved zero work-related accident and sickness.

EMPLOYEE ENGAGEMENT

To obtain the constructive feedback and truly understand personnel's expectations, S Hotels and Resorts commissioned an external consultant to conduct a 2019 Employee Engagement Opinion survey (EOS) to identify issues and areas to improve work satisfaction and engagement towards company. The management in all functions paid full attention and led the development and implementation of action plans based on those findings to increase employee engagement to a level comparable to leading hospitality company.

RECRUITING RIGHT TALENT AND RETAIN HIGH THE POTENTIALS

S Hotels and Resorts strongly believes that recruiting the right talents and retain high potential employees are the foundation of success in our business. A systematic screening system through various world-renowned assessments are being utilized to screen personnel with qualifications and tailored-made behavior based interview guideline which reflect S Hotels and Resorts' value, "PRIDE" has been established to ensure that we recruit the "right talent" and employees can contribute at their best capabilities to the business goals as well as fulfilling their individual career development goals.

Executive and Employee Remuneration

S Hotels and Resorts determines executive remuneration by considering fairness and appropriate payment suitable for the responsibilities assigned and prevailing organizational performance. Equally important, such remuneration must be competitive enough to attract and retain a pool of talented executives and key personnel considered critical to its long-term success.

S Hotels and Resorts employed 3,165 employees and executives as of December 31, 2019. The total remuneration, which includes salary, overtime payments, living allowances, bonuses, special allowances, social security payment, and joint contributions to the provident fund, was worth Baht 1.054 billion.

(Details of executive remuneration appear under "Remuneration for Directors and Executives".)

PROVIDENT FUND

Apart from the above compensation, S Hotels and Resorts established a provident fund in 2015 under the Provident Fund Act B.E. 2530 (1987) by contributing 5%, 8%, or 10% of a given employee's salary into the fund. Employees are able to choose and match their contribution to the fund at 3%, 5%, 8%, 10% or 15% of their salaries.

CHIEF EXECUTIVE OFFICER REMUNERATION

Board of Directors conducts the CEO's performance appraisal annually. Findings determine his total remuneration including salary, bonus, or other payments by considering appropriateness and competitiveness in comparison with peer listed companies of similar 4 sizes. Since it is personal information, the Company cannot disclose his compensation.



SUSTAINABLE DEVELOPMENT

S Hotels and Resorts Public Company Limited (SHR) undertakes sustainable development in accordance with the sustainable development strategies and philosophy of Singha Estate Public Company Limited (S) as the Company being in the same family with Singha Estate. SHR is committed to working to support sustainability throughout the supply chain, from the community-level economy or promotion of tourism industry at the national level, income and employment distribution from local communities, environment management within and around the hotels, to taking into account the positive and negative impacts of the organisation's operations on all stakeholder groups. SHR recognises that the responsibility to the environment, community and society in the area where SHR 's businesses involved with will have significant interconnected effects.

SUSTAINABILITY MANAGEMENT POLICY AND GOALS



Philosophy

The business development of S Hotels and Resorts is based on the principle of balanced coexistence of the economy, society and the environment.



Commitment

The sustainability of S Hotels and Resorts will come from the determination to creating balance to the business processes of the company, the benefits to the stakeholder, economic growth, the development of quality of life, and the good conditions of the environment



Guidelines

S Hotels and Resorts will transfer the knowledge derived from conducting business in order to set a guideline for responsibility towards the economy, society and the environment to create lasting balance.

SDGs: Sustainable Development Goals

Main Goals



SDG 14 :
Life Below Water



SDG 8 :
Decent work & Economic growth

Secondary Goals



SDG 11 :
Sustainable Cities and Communities



SDG 12 :
Responsible Consumption and Production



SDG 13 :
Climate Action



SDG 17 :
Partnerships for the Goals

With SHR's vision to become a leader in hotel investment and resort management that sets new standards for quality relaxation and quality living, with investments and operations spread worldwide, SHR aims to have every hotel in our management comply and be certified according to international sustainability standards for tourism operators and Green Globe Standard. These goals will become the corporate sustainability goals from 2020 onwards. The implementation of this Green Globe Standard covers sustainability aspects including environmental, social and economic community. The Company aims to develop properties in our care to help support sustainable development and provide real benefits to the local community through participation, interdependence, community competency development, and creating a sustainable tourism industry.

IMPACT MANAGEMENT FOR STAKEHOLDERS IN THE BUSINESS VALUE CHAIN

Most of the Company's hotels and resorts are located in areas that are tourist destinations surrounded by nature. The hotels and resorts are located throughout the region, especially in important marine tourist areas. The hotels that the Company directly owns and operates, namely Phi Phi Island Village Beach Resort, Krabi, which is located in the area of Nopparat Thara Beach - Phi Phi Islands National Park, Santiburi Koh Samui with luxury beachfront in Surat Thani Province, or SAii Lagoon Maldives, Curio Collection by Hilton, and Hard Rock Hotel Maldives in the CROSSROADS project, Maldives. All of them are doing business in the midst of marine resources and local communities, making the company aware of the role of being a good corporate citizen in maintaining, protecting and restoring marine life and the surrounding areas. At the same time, Singha Estate had an initiative about the sea in the campaign #SeaYouTomorrow. This resulted in assigning the **SDG 14: Life Below Water** as the main goal for the Company's sustainability action.

SHR places great importance on the management of resources within the areas of the hotels and resorts under our care, in particular the issues of water, sewage and waste that have occurred since the project construction process which has an impact from on the upstream level, the service period of the hotel, to small and large marine organisms that are counted as the downstream of this supply chain. SHR places importance on wastewater treatment to be of higher quality than the legal standards. There is a policy to treat water for reuse within the hotel. In addition, every hotel in the management of the Company has already introduced a plan to cancel all single-use plastic which has been implemented since 2019.

Not only due to the expansion of the Company's business creates business stability for the company but also the company's vision of providing real benefits to the local community, the **SDG 8: Decent Work & Economic Growth** was established as a guideline for the business to grow together with the local community so that the company can participate in creating jobs, securing procurement of products from the local community, as well as receiving cooperation, acceptance and support from local stakeholders such as academics, NGOs, government agencies in order to create sustainable tourism.



Zero Carbon Emissions, or Carbon neutral

at Santiburi Koh Samui, certified by the Thailand Greenhouse Gas Management Organization (Public Organisation), (Greenhouse Gas Emissions Information 2018). This is an important step towards the role of climate change. The Company's participation in the project "Expanding Carbon Offset Activities to Support the Domestic Voluntary Carbon Market, Year 6" in collaboration with the Center of Excellence on Environmental Strategy for Green Business, Faculty of Environment, Kasetsart University, which gave the hotel the database of the greenhouse gas emission of the company in 2018 to be used as a target for greenhouse gas emission reduction in the future.

Results and success concerning sustainability

Certificate of "Green Hotel" or the Gold-level Green Leaf from the Ministry of Natural Resources and Environment, given to Phi Phi Island Village Beach Resort, which is also the only hotel in Krabi Province that has received the Gold award.





Conservation of marine biodiversity in the Republic of Maldives.

The island design takes into account the environment and biodiversity under the sea. We changed the island construction design after finding that the island is a habitat for hawksbill turtles. The Company used coconut palms, a national tree of the Republic of Maldives derived from legal planting and nursery tree sources. The company obtained sand used for building all the islands in the CROSSROADS project from a legitimate borrow area and was authorised by the government according to the Environmental Impact Assessment Report (EIA)



Coral and Mangrove Planting on Earth Day

Staff and guests of the Phi Phi Island Village Beach Resort joined hands in planting 80 coral branches from the resort Marine Discovery Centre's dedicated nursery and planted 100 mangroves.

And with the company has just been listed on the Stock Exchange of Thailand at the end of 2019, most of its operations for sustainable development operated under Singha Estate. For the continuation of information and disclosure of information that will benefit all broader groups of stakeholders, details of the management guidelines and operational results for sustainability have been compiled and disclosed in 2019 Singha Estate Sustainability Development Report 2019, or download at <https://investor.singhaestate.co.th/sdreport.html>

Marine Discovery Center (MDC) - 2 marine learning centres

at Phi Phi Island Village Beach Resort and CROSSROADS project. The centre has already been visited by 3,990 people from 57 countries around the world. The Company is planning to open a new MDC at Santiburi Koh Samui in 2020.



RISK FACTORS

S Hotels and Resorts Public Company Limited is aware of the corporate's risk management which plays an important role in the sustainable growth of the business. The Company therefore began risk assessment in 2017 and has ever since continued performing the assessment. The Company's current risk management system is based on the standards of the Committee of Sponsoring Organization of the Treadway Commission, in compliance with international standards.

The Company performs its regular risk assessment by the following procedures:

- Conducting workshops with the top executives to brainstorm for possible risks and guidelines for preventing them then present a report to the Board for opinions and recommendations.
- Assigning assessment of project risk management and present a report to the Board of Director for seek the opinions and recommendations.
- Following up the progress of the solutions to risk management and review the risks every quarter.

The Company quarterly reports the result of risk assessment and corporate's risk management activities to the Board of Director and considers the opinions and recommendations from the Board of Director about the possible risks. The reported risks are as follows:

STRATEGIC RISKS

- Risks relating to economic and political uncertainty: As global economic recession affects tourism businesses both aviation and accommodation businesses, the numbers of tourists visiting Thailand from particular countries such as Germany and China greatly decrease. Brexit, which has been negatively affected the industry since last year, continues to play its part. However, as the Company follows a strategy of diversifying investment in hotels across many countries (diversified portfolio), its customer base is various and not too concentrate on any one particular country, finally culminating in the stability of the Company's revenue.

- Risks relating to investments to expand businesses: The Company's expansion, which consists of both development projects initiated by the Company and merger and acquisition, may come with many aspects of new risks. For example, there may be a risk of the returns from investment not reaching a target, a risk from a delay in investment, a risk from the development and construction of the Company's own projects under the Company's designated timeline and costs, and a risk from providing sufficient capital resources to complete additional acquisitions in the future, however, the company has a guideline of to prevent these risks by the procedures of systematically considering investment, assessing risks and performing due diligence in many aspects such as financial, legal, accounting, and taxes due diligence.

OPERATIONAL RISKS

- Performance risks: Some external factors affect the Company's revenue. They can be caused by global economy which decreases the amount of money tourists spend during holidays, or caused by a change of currency exchange rate which may affect the competitiveness of hotels. Both are the example of factors that affect the Company's operation. In consequence, the Company adapts its marketing strategies and promotion activities to attract new tourists and retain customer, provides marketing channels that suit each area, encourage regular customers to revisit the hotels. Moreover, the Company appointed Outrigger brand, well-known in the capability for managing resorts, adapting strategies to suit the competition and customers in particular countries, generating profits according to the goals, as Hotel management operator to manage six Outrigger hotels. As for two hotels in the CROSSROADS Project, namely SAii Lagoon Maldives, Curio Collection by Hilton and Hard Rock Hotel Maldives, which opened in September 2019, they incurred the costs from pre-operation, which are typical of opening new hotels. As a result the company had relatively high pre-operation expenses. Nevertheless,

the two hotels garnered positive receptions from tourists staying at the hotels which made the stay rate reach its initial target. The Company still has to apply marketing strategies including expanding market channels, pricing, finding strong business partners, and operational cost management, in order to enhance the performance of the two hotels to grow according the Company's targets.

FINANCIAL RISKS

- **Fluctuations in exchange rates:** We report our consolidated results of operations in Thai baht, while our hotels located in Republic of Fiji, Republic of Mauritius, Republic of Maldives and the United Kingdom generate their income and incur expenses primarily in local currencies, the GBP, U.S. dollars, and/or Euros, which are then translated to Thai baht at the applicable exchange rate for purposes of consolidation. To prevent the fluctuation in exchange rates the Company uses the natural hedge measure by which the Company applies for a loan in a currency that matches the source of income in a particular country to experience the effects of fluctuation to revenue, profits, and fund sources in the same direction.
- **Fluctuations in interest rates:** Fluctuations in interest rates especially floating interest rates may affect the Company's loans. The Company will follow the movement of interest rates and consider to enter into the interest rate derivatives contract to fix the interest rates according to the situation of interest rates.

RISKS FROM PUBLIC POLICIES, REGULATIONS, RULES, CONTRACTS AND RELATED LAWS.

- **Risks from complying with regulations:** As the Company operates both domestically and internationally under regulation from governments are subject to supervision by multiple government authorities and regulations. The change of policies may affect the competitiveness due to the compulsory compliance the laws that comes with possible risks to business operation and trust. The Company is aware of the importance to adhering to the rules, regulations and laws related to the Company's various operations. The Company assigns a review of regulation compliance, effects and regularly keeping up with the changes to the laws. The Company appoint both domestic and international legal advisers to help review the operations and the related legal procedures to ensure that the company strictly adhere regulation and related laws both in Thailand and internationally.

SAFETY AND ENVIRONMENTAL RISKS

- **Environmental risks:** The Company is always aware of its duties to be responsible for the society and the importance of environment management, so the Company initiated the #SeaYouTomorrow Project, which is a project to raise awareness of conserving and maintaining balance in the environment. The hotels in the Company's group stopped using single-use plastics to natural and recyclable materials.

EMERGING RISKS

- **Cyber threats:** At the present time there has been a surge in a number of cyber threats both domestically and internationally, which lead to financial impact to many companies. To prevent those threats, the Company regularly updates its software and security systems and raises aware of cyber security such as what to do when encountering cyber threats, the prevention, and related laws about information technology among its employees regularly.
- **New accounting standards:** From monitoring new possible risks during 2019, the Company found that there were risks of changing in new accounting standards namely TFRS9 and TFRS 16, which could affect the Company's financial statements. Thus, the Company will keep monitoring the TFRS 9 and TFRS 16 standards and report the results in the Company's financial statements in 2020.

INTERNAL CONTROL

S Hotels and Resorts recognises the importance of an internal control and internal audit system. To achieve its goals, the Board appoints Internal Audit which is an independent unit that reports to the Audit Committee. The Company assigned the review and assessment of the sufficiency of the internal control system of the Company in 5 areas, namely control environment, risk assessment, control activities, information & communication, monitoring activities, so that the Board could effectively monitor the operations of the Company, ensure that the Company's business operations comply with regulations and related laws, and achieve the policies and objectives set by the management.

In 2019, the Board held 8 meetings, with the Audit Committee attending every meeting to provide opinions on the adequacy of the internal control system. The Audit Committee informed and reported the assessment to the Board at the Board Meeting no. 4/2019 on May 3, 2019. The Board concluded that the Company has an appropriate and sufficient internal control system to employ to efficiently conduct business in accordance with the policies, objectives, laws and relevant requirement, that the system is able to protect assets from fraud and damage. Accounting is accurate and reliable with sufficient disclosure of financial reports in accordance with accounting standards. Important details are summarised as follows:

CONTROL ENVIRONMENT

The Company has an appropriate internal control environment and sufficient for business operations with clearly defined roles, duties and responsibilities of the Board and sub-committees under the charter of each respective committee. In addition, the Company places an emphasis on the Code of Conduct and ethics, so that the Board, executives and employees will perform their duties by adhering to the value of integrity and maintaining business ethics as part of the organisation's values.

The Company appoints a committee consisting of directors who are independent to perform their duties and possesses the qualifications specified by the Office of the Securities and Exchange Commission (SEC). The committee oversees and develops an internal control system, organisational structure, and a chain of command which clearly indicates the duties and responsibilities in line with the Company's business plans. The committee also defines appropriate business goals and key performance indicators (KPI), promotes every personnel in the organisation to recognise the necessity for the internal control system, and encourages a good environment which will help make the internal control system effective.

RISK ASSESSMENT

The Company has systematic risk management processes by defining risk response strategies at each level, including the process of identifying risks that may affect the business operations of the Company at the organisational level, units, and various departments, the consideration of internal and external factors of the Company, the measures and action plans to support, manage and control the risks to be within an acceptable level and suitable for the current situation of the Company, business continuity management by presenting risks and important risk management measures to the Board. The Company also identified risk factors that are used as a guideline to assess the risks associated with personnel, and the process of considering the succession plan for important positions.

In addition, the Company also assigned an assessment of the likelihood of fraud along with the risk assessment, audited by a certified external auditor who has been approved by the Office of the Securities and Exchange Commission. A policy against corruption also has been defined.

CONTROL ACTIVITIES

The Company has the controlling measures to reduce the risk of not achieving the objectives of the Company to be within an acceptable level by defining a scope, authority, and the level of approving authority in writing. The Company clearly segregates duties especially those that may bring about conflicts in their operations, including the duty to make a record, property responsibility, and duties of an approver. In addition, the Company has set policies to prevent conflicts of interest. In 2019, the Company declared them in the note section of the financial statements and the table of connected transactions. Every item was considered reasonable and was of normal conduct of business operation. The transactions were for the best interests of the Company and had been reviewed by the Audit Committee and the Board as equivalent to the transactions engaged with third parties (Arm's Length Basis) in accordance with the regulations of the SEC, including compiling manuals/operational procedures to suit the organisation's structure. The Company has an internal audit unit responsible for inspecting the operations of relevant personnel to prevent and correct operational flaws.

Furthermore, the Company has developed general controlling actions by using technology to help achieve the objectives by defining policies related to system security in writing, the access to the computer centre, defining user's rights, data and work system backup, data recovery, and also the development, change, and maintenance of technology to be in proper conditions.

INFORMATION & COMMUNICATION

Information that can be used for operations is obtained from both inside and outside the Company. The data are accurate and relevant to the operation. The Company has set a policy regarding important documents. The Company has a Company Secretary who prepares sufficient and important information for the Board and Management to have complete information to make decisions. A Company Secretary must circulate an invitation letter to a meeting not less than 7 days in advance for the directors to have sufficient time to consider the information before attending the meeting.

A Company Secretary makes a record of each meeting with complete comments and resolutions. A Company Secretary regularly reports important information to the Board and they can access information necessary for the operation and review various items as required.

For internal communication between management and employees, various information is circulated through the S@NET system, electronic mail (e-mail), announcement boards, as well as meetings between executives and all employees in the organization on a quarterly basis in order for the employees to be informed and to achieve the performance targets. The Company established an extra communication channel or for personnel both inside and outside the Company for reporting information or details about fraud or dishonesty to the Company via mail, electronic mail, and the Company's website, as specified in the Code of Conduct Guide to Complaints and Whistleblowing. The Company also established an investor relations department to communicate important information that is beneficial to the external stakeholders.

MONITORING ACTIVITIES

The Company created a process to monitor compliance with the internal control system by hiring an independent external expert consultant working with the internal audit unit to carry out the assessment of compliance with the internal control system to suggest solutions for improvement and to listen to the opinions of the Management on the results of the assessment and propose solutions. The independent external experts and the Company's internal audit unit will report the results directly to the Audit Committee and follow up on the progress of improving and correcting errors. In case a significant error is detected, it is to be reported to the Board / Audit Committee for consideration within a reasonable time. The Audit Committee will be responsible for monitoring and improving such defects in order to perform internal audit up to the international standards. The Company has been improving the internal audit unit by holding trainings to promote internal audit knowledge.

HEAD OF INTERNAL AUDIT'S PROFILE

Name: Pawornsiree Tipchaieur
Position: Assistant Vice President – Internal Audit

Education:

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

Certification:

- Certified Public Accountant
- Certified Internal Auditor

Training Courses:

Year	Course	Institute
2019	<ul style="list-style-type: none"> • Using Microsoft Excel in auditing accounting data 	Federation of Accounting Professions
2018	<ul style="list-style-type: none"> • Changes in Financial Reporting from NPAEs to PAES • Updates in Corporate Income Tax and Value Added Tax • Updates in Auditor's report and Auditing Standards 	Dharmniti Seminar and Training GTO Training GTO Training
2017	<ul style="list-style-type: none"> • Professional Auditing • Differences between Accounting Profit and Tax Profits 	Thai CPD Online Thai CPD Online
2016	<ul style="list-style-type: none"> • Presentation and Analysis of Financial Statements • Personal Data Protection Act 	Thai CPD Online Millennium & Copthorne
2015	<ul style="list-style-type: none"> • Combined Issues in Financial Reporting 	GTO Training

Work Experience:

Present Assistance Vice President, Internal Audit, S Hotels and Resorts Public Company Limited
 2016 - 2018 Group Internal Audit Manager, Millennium & Copthorne International
 2014 - 2016 Internal Audit Manager, Exchange Tower
 2013 - 2014 Internal Audit Manager, Holcim Services (Asia)
 2011 - 2012 Senior Manager - Group Overseas Accounting, TCC Land
 2007 - 2011 Internal Audit Manager, Laguna Resorts and Hotels
 2002 - 2006 Senior Assistant Auditor, Ernst & Young Office

Relevant Key Executive Position:

- None

Relationship with the Management:

- None

TRANSACTIONS WITH RELATED PARTIES

POLICY AND TREND FOR TRANSACTIONS WITH RELATED PARTIES

The Board of S Hotels and Resorts value the compliance of good corporate governance concerning oversight of conflicts of interest. The Board steers the management by instituting clear, transparent processes concerning related parties and compliance with the rules, procedures, and approach for disclosing related transactions strictly in line with the law or regulators' requirements. As a rule, in engaging in transactions with S Hotels and Resorts's related parties, most transactions occurred in the normal course of business. Therefore, engagement in transactions with these businesses or parties is likely to recur. What is important is that S Hotels and Resorts's policy or trend for engagement is still based on the same principle observed last year, namely observing arm's length commercial terms with primary regard for the best interests of S Hotels and Resorts and its shareholders.

Transactions between S Hotels and Resorts & subsidiaries and parties/juristic persons of potential conflicts of interest as of December 31, 2018, and December 31, 2019:

Individual / Juristic Person Who May Have Conflicts of Interest (Relationship)	Type of transaction	Transaction value (Baht)		Details and rationale
		2018	2019	
Boon Rawd Brewery Co., Ltd. (Ultimate major shareholder and related parties of the Company served as major shareholders, directors, management, or controlling persons)	Trade receivables	-	0.26	Revenues from rooms and services including other services such as accommodation, food and Beverage, and transportation etc. for site visit and event.
	Revenues from service	0.92	-	
Bo Phut Property and Resort Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Other receivables	0.04	0.02	Rental and services income from Santiburi Koh Samui. Rates and terms are based on agreed rate and conditions, comparable to those offered to key account customers.
	Services income	0.15	0.19	
Beer Singha Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Purchases of goods	-	0.03	Purchases of goods and services.
Singha Park Chiang Rai Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Other payables	-	0.03	Purchases of goods and services.
	Purchases of goods	0.21	0.12	

Individual / Juristic Person Who May Have Conflicts of Interest (Relationship)	Type of transaction	Transaction value (Baht)		Details and rationale
		2018	2019	
Santiburi Samui Country Club Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Trade receivables, and Other receivables	0.03	0.02	Revenues from laundry service and commission charges from using golfing facilities at Santiburi Samui Country Club by guests of Santiburi Koh Samui.
	Services income	0.3	0.27	
	Other payables	0.23	0.21	Service charges from using golfing facilities at Santiburi Samui Country Club by guests of Santiburi Koh Samui.
	Services expense	2.85	2.93	
Boon Rawd Trading Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Revenues from service	-	0.02	Revenues from rooms and services including other services such as accommodation, food and Beverage, and transportation etc.for site visit and event.
CTG 2002 Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Other payables	-	0.82	Advertising expenses and consulting fees for organizing public relations. Rates and terms are in line with normal business practice following the condition of general trading.
	Rental and services expense	-	0.76	
Singha Estate PCL. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Trade receivables	0.18	-	Revenues from rooms and services including other services such as accommodation, food and Beverage, and transportation etc.for site visit and event.
	Revenues from service	1.17	2.79	
	Other receivables	-	3.22	Warrants to executives and employees of: the major shareholder of the parent, the parent, and its subsidiaries; and the Company and its subsidiaries recorded at fair value.
	Advance to	-	0.03	Advances for employee benefits from employee transferred to the Group
	Other payables	112.54	2.05	Management fees such as personnel service fees legal fees, accounting fees and information technology service fees, etc., are in accordance with the Management Service Agreement.
	Management fee	105.51	9.41	
	Other payables	4.33	5.26	Warrants of Singha Estate PCL. to executives and employees of: the major shareholder of the parent, the parent, and its subsidiaries; and the Company and its subsidiaries recorded at fair value.
	Share-based payment transaction	4.33	5.26	

Individual / Juristic Person Who May Have Conflicts of Interest (Relationship)	Type of transaction	Transaction value (Baht)		Details and rationale
		2018	2019	
	Other payables	0.18	0.80	Miscellaneous expenses such as travel expenses and postage etc. that were paid on behalf for the group.
	Services expense	-	1.77	
	Advance from	1.29	1.20	Advance payment for legal advisor fees
S Hotels and Resorts Inter Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Advance to	-	0.01	Advances for employee benefits from employee transferred to the Group
	Other payables	84.86	166.96	Management fees such as personnel service fees legal fees, accounting fees and information technology service fees, etc., are in accordance with the Management Service Agreement.
	Management fee	-	12.08	
	Advances from	2.90	-	Miscellaneous expenses such as travel expenses and postage etc. that were paid on behalf for the group.
	Services expense	-	8.02	
	Loans from related parties of the company	5,295.83	-	Short-term loans used as working capital, purchase of Outrigger hotels and restructuring of the Group for preparing to be listed in the stock market The Company made the full repayment of the loan after IPO.
	Interest payables	112.43	-	
	Interest expenses	33.34	172.84	
Max Future Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Other receivables	-	0.07	Warrants to executives and employees of: the major shareholder of the parent, the parent, and its subsidiaries; and the Company and its subsidiaries recorded at fair value.
	Other payables	-	0.01	
	Rental and services expense	0.08	0.23	Office rental and parking service rental at Suntowers Building and Parking Building 1.
Prime Locations Management Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Advances	5.67	-	Advance payment for transportation service and equipment for construction of the CROSSROADS project Phase 1
Dream Islands Development Pvt. Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Other receivables	102.25	-	Marketing services income for the development of tourist facilities in the Republic of Maldives are in accordance with the Marketing Support Service Agreement
	Services income	96.46	61.41	
	Unearned revenues	-	29.10	

Individual / Juristic Person Who May Have Conflicts of Interest (Relationship)	Type of transaction	Transaction value (Baht)		Details and rationale
		2018	2019	
S Services (Maldives) Pvt. Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Other receivables	3.59	-	Rental deposit
	Advance to	9.60	6.10	Advance payment for office decoration, office rental and miscellaneous expenses such as utilities and travelling expenses of CROSSROADS project phase 1.
	Other payables	15.01	7.17	Management fees such as personnel service fees legal fees, accounting fees and information technology service fees, etc., are in accordance with the Management Service Agreement.
	Management fee	51.57	15.12	
Laguna Service Co., Ltd. (An associate company)	Revenues from service	-	0.09	Revenue from room services, utilities charges and transportation services from Outrigger Laguna Phuket Beach Resort. Rate and term are in line with normal business practice following the condition of general trading.
	Other payables	3.24	1.81	Management expenses and service expenses from Laguna Service Co., Ltd etc. laundry services, facility services, common area services and marketing services to Dusit thani hotel, Laguna Phuket Club and Angsana Laguna Phuket. Rate and term are in line with normal business practice following the condition of general trading.
	Services expense	16.47	29.33	
Babylon Property Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Rental expense	-	0.27	Monthly apartment rental of a director which operated by a company's director. Rate and term are in line with normal business practice following the condition of general trading.
S Prime Growth Leasehold Real Estate Investment Trust. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Other payables	-	0.12	Rental and service expense at Suntower Building
	Rental and service expense	-	3.57	
Qtech Products Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Trade payables	23.87	4.40	Payables for the development cost of CROSSROADS project which are labor costs and construction materials in accordance with the conditions of the contract.

Individual / Juristic Person Who May Have Conflicts of Interest (Relationship)	Type of transaction	Transaction value (Baht)		Details and rationale
		2018	2019	
S Hotels and Resorts (SG) Pte. Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Advances to	-	0.03	Advance payment for shares submission fee
Jupiter Hotels Limited (A joint party)	Revenues from service	-	0.06	Revenues from rooms and services including other services such as accommodation, food and Beverage, and transportation etc.for site visit and event.
S KLAS Management Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Other receivables	-	0.04	Warrants to executives and employees of: the major shareholder of the parent, the parent, and its subsidiaries; and the Company and its subsidiaries recorded at fair value.
S REIT Management Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Other receivables	-	0.05	Warrants to executives and employees of: the major shareholder of the parent, the parent, and its subsidiaries; and the Company and its subsidiaries recorded at fair value.
Singha Property Development Co., Ltd. (Related parties of the Company served as major shareholders, directors, management, or controlling persons)	Other receivables	-	0.04	Warrants to executives and employees of: the major shareholder of the parent, the parent, and its subsidiaries; and the Company and its subsidiaries recorded at fair value.
	Rental and service expense	-	0.02	Rental and service expense for the group's activities. Rate and term are in line with normal business practice following the condition of general trading.

RESPONSIBILITY OF THE BOARD OF DIRECTORS TO FINANCIAL STATEMENT

The Board of Directors of S Hotels and Resorts Public Company Limited ("the Company") is responsible for the consolidated financial statement of the Company and its subsidiaries as well as financial information in the annual report. The financial statement is prepared in accordance with generally accepted accounting standards which are appropriately applied on a consistent basis. Conservation judgment and best estimate are adopted in this preparation. In addition, all important information is adequately disclosed in the notes to financial statement.

The Board of Directors has set up and maintained an effective internal control to reasonably ensure that all accounting records are accurate, complete and sufficient to secure its assets. Moreover, all possible weakness could be found to prevent fraud or material unusual transactions.

The Board of Directors had appointed the audit committee which comprises independent directors, to control quality of financial report and internal control system. The opinion of the audit committee on this matter has already been presented in the audit committee report.

The Board of Directors is of an opinion that internal control systems of the Company are in the satisfactory and sufficient level to reasonably build the confidence in the reliability of the consolidated financial statement of the Company and its subsidiaries as of 31 December 2019.



(Mr. Sompong Tantapart)
Chairman



(Mr. Dirk André L. De Cuyper)
Director and Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

(Formerly named "S Hotels and Resorts Co., Ltd.")

My opinion

In my opinion, the consolidated financial statements of S Hotels and Resorts Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for my opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My audit approach - overview



Materiality

Overall group materiality: 16.35 million which represents 5% of Group's profit before tax.

Audit scope

I conduct with audit work of the consolidated financial statements by focusing on the significant components which account for 89% of the Group's profit before tax and 85% of the Group's total assets.

Key audit matter

I identified the following matter as key audit matter;

- Impairment testing of goodwill

Materiality

The scope of my audit was influenced by my application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on my professional judgment, I determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped me to determine the scope of my audit and the nature, timing and extent of my audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	Baht 16.35 million
How I determined it	5% of profit before tax
Rationale for the materiality benchmark applied	I chose profit before tax as the critical measure because, in my view, it is the measure against which the performance of the Group is most commonly assessed. The 5% benchmark is a generally accepted auditing practice and there were no significant unusual elements that merited adjustments to this benchmark.

I agreed with the audit committee that I would report to them misstatements identified during my audit above Baht 0.82 million, in my view, warranted reporting for qualitative reasons.

How I tailored my group audit scope

I tailored the scope of my audit in order to perform sufficient work to enable me to provide an opinion on consolidated the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matter

Key audit matter is that matter that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I identified Impairment testing of goodwill as a key audit matter. This matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Key audit matter	How my audit addressed the key audit matter
<p>Impairment testing of goodwill</p> <p>Refer to Note 4 critical accounting estimates and judgements and Note 15 goodwill.</p> <p>As at 31 December 2019, the Group recorded goodwill of Baht 1,111.70 million, which was created from the acquisitions of a hospitality business in foreign countries and Thailand.</p> <p>The management identified the cash generating unit (CGU), in which the Group's goodwill was included. Management tested impairment by comparing the book value with the recoverable amount of asset which is the higher of the value-in-use or fair value less costs to sell. Key assumptions used by management to calculate carrying value are growth rate and discount rate assumptions. Management determined that no allowance for impairment of these assets was necessary. Management tested the impairment of goodwill annually based on the requirements of Thai Accounting Standard 36: Impairment of assets.</p> <p>I focused my attention on this area due to the significant amount of the goodwill. Moreover, the impairment test involved management's judgement on identifying various assumptions for value-in-use calculation.</p>	<p>I tested impairment of goodwill which was assessed by Management as follows;</p> <p>I assessed the appropriateness of management's identification of the Group's CGU by inquiring and observing how the information is collected and segregated comparing to the accounting data.</p> <p>I read management's report of the Group's annual impairment test of goodwill for each CGU and performed reasonableness testing of estimates by comparing to historical figures.</p> <p>I assessed the impairment testing process and assessed inputs and assumptions used in impairment testing of goodwill, specifically the growth rate and discount rate assumptions. I compared those inputs and assumptions to the appropriate published information and the approved business plan.</p> <p>I assessed the reasonableness of the business plan and forecasts by comparing them with historical results. Also, I performed a sensitivity analysis of the key assumptions used by management in its valuation model to consider the potential impact of a material change in a key assumption on the impairment assessment.</p> <p>As a result of the procedures performed, I found that management's determination is reasonable based on the available evidence.</p>

Other information

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibility for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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

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

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

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Chanchai Chaiprasit

Certified Public Accountant (Thailand) No. 3760

Bangkok

26 February 2020

FINANCIAL STATEMENTS

Annual Report 2019

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Consolidated And Separate Financial Statements

As at 31 December 2019



Financial Statements

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Financial Position

As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	3,591,606,082	1,892,903,825	1,730,962,368	1,000,596
Short-term investments		155,766,423	60,585,570	-	-
Trade and other receivables, net	8	287,832,325	226,104,241	111,535	10
Inventories	9	302,509,264	142,289,279	-	-
Amounts due from related parties	26	307,655,316	346,183,823	25,611,388	22,718,789
Short-term loan to a related party	26	-	-	-	415,250,000
Other current assets	10	481,265,214	293,898,688	22,757,442	7,860,581
Total current assets		5,126,634,624	2,961,965,426	1,779,442,733	446,829,976
Non-current assets					
Restricted bank deposits		36,801,408	38,174,893	-	-
Investments in an associate and joint ventures	11	257,155,560	245,621,057	-	-
Investments in subsidiaries	12	-	-	19,065,876,905	19,065,876,905
Long-term loans to related parties	26	1,501,628,823	1,560,331,169	938,965,871	-
Investments properties	13	568,080,273	-	-	-
Property, plant and equipment, net	14	18,768,597,762	16,321,490,056	3,425,322	-
Goodwill	15	1,111,701,701	1,207,972,046	-	-
Intangible assets, net		97,280,615	75,397,230	3,861,000	-
Leasehold rights	16	1,620,040,373	1,776,299,887	-	-
Deferred income tax assets	17	36,748,694	33,359,932	326,639	-
Other non-current assets		36,974,142	169,037,720	4,387,304	53
Total non-current assets		24,035,009,351	21,427,683,990	20,016,843,041	19,065,876,958
Total assets		29,161,643,975	24,389,649,416	21,796,285,774	19,512,706,934

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

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Financial Position

As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	3,591,606,082	1,892,903,825	1,730,962,368	1,000,596
Short-term investments		155,766,423	60,585,570	-	-
Trade and other receivables, net	8	287,832,325	226,104,241	111,535	10
Inventories	9	302,509,264	142,289,279	-	-
Amounts due from related parties	26	307,655,316	346,183,823	25,611,388	22,718,789
Short-term loan to a related party	26	-	-	-	415,250,000
Other current assets	10	481,265,214	293,898,688	22,757,442	7,860,581
Total current assets		5,126,634,624	2,961,965,426	1,779,442,733	446,829,976
Non-current assets					
Restricted bank deposits		36,801,408	38,174,893	-	-
Investments in an associate and joint ventures	11	257,155,560	245,621,057	-	-
Investments in subsidiaries	12	-	-	19,065,876,905	19,065,876,905
Long-term loans to related parties	26	1,501,628,823	1,560,331,169	938,965,871	-
Investments properties	13	568,080,273	-	-	-
Property, plant and equipment, net	14	18,768,597,762	16,321,490,056	3,425,322	-
Goodwill	15	1,111,701,701	1,207,972,046	-	-
Intangible assets, net		97,280,615	75,397,230	3,861,000	-
Leasehold rights	16	1,620,040,373	1,776,299,887	-	-
Deferred income tax assets	17	36,748,694	33,359,932	326,639	-
Other non-current assets		36,974,142	169,037,720	4,387,304	53
Total non-current assets		24,035,009,351	21,427,683,990	20,016,843,041	19,065,876,958
Total assets		29,161,643,975	24,389,649,416	21,796,285,774	19,512,706,934

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

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Financial Position

As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	18	1,714,059,830	666,906,616	74,844,113	8,644,304
Amounts due to related parties	26	224,984,949	405,509,123	9,013,729	144,871,912
Short-term borrowings from related party	26	-	5,295,830,000	-	5,295,830,000
Current portion of long-term borrowings, net	19	382,101,159	1,910,591,038	-	-
Income tax payable		4,775,057	5,197,985	-	5,192,651
Retention payables		242,066,666	201,747,098	-	-
Other current liabilities		338,996,330	230,727,180	3,043,061	141,378
Total current liabilities		2,906,983,991	8,716,509,040	86,900,903	5,454,680,245
Non-current liabilities					
Long-term borrowings, net	19	7,465,419,033	2,823,775,926	648,551,921	-
Deferred income tax liabilities	17	806,386,886	815,529,219	-	-
Employee benefits obligations		41,656,155	30,512,335	5,685,762	-
Other non-current liabilities		18,413,165	19,603,038	-	-
Total non-current liabilities		8,331,875,239	3,689,420,518	654,237,683	-
Total liabilities		11,238,859,230	12,405,929,558	741,138,586	5,454,680,245

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

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Financial Position

As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	20				
Authorised share capital					
Ordinary shares 3,663,640,000 shares					
at par value of Baht 5 each					
(2018 : Ordinary shares 107,809,200					
shares at par value of Baht 100 each)		18,318,200,000	10,780,920,000	18,318,200,000	10,780,920,000
Issued and paid-up share capital					
Ordinary shares 3,593,640,000 shares					
at paid-up of Baht 5 each					
(2018 : Ordinary shares 107,809,200 shares					
at paid-up of Baht 100 each)		17,968,200,000	10,780,920,000	17,968,200,000	10,780,920,000
Premium on share capital	20	3,335,183,869	3,255,790,774	3,335,183,869	3,255,790,774
Discount from business transferred					
under common control		(2,119,140,909)	(2,119,140,909)	-	-
Share-based payment	25	4,733,108	-	4,733,108	-
Retained earnings (deficits)					
Unappropriated		(110,710,785)	356,143,600	(252,969,789)	21,315,915
Other components of equity		(1,155,480,538)	(289,993,607)	-	-
Total equity		17,922,784,745	11,983,719,858	21,055,147,188	14,058,026,689
Total liabilities and equity		29,161,643,975	24,389,649,416	21,796,285,774	19,512,706,934

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

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Comprehensive Income
For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Revenue from services		3,818,111,757	2,575,728,409	24,594,070	-
Costs of services		(2,490,412,820)	(1,469,344,362)	(15,563,660)	-
Gross profit		1,327,698,937	1,106,384,047	9,030,410	-
Other income	21	199,786,086	489,560,646	24,756,906	255,018,494
Selling expenses		(366,298,697)	(238,987,254)	(12,223,562)	-
Administrative expenses		(1,083,805,620)	(663,078,780)	(107,232,319)	(115,456,772)
Finance costs (interest expenses)		(424,646,986)	(292,664,711)	(177,991,246)	(112,430,110)
Share of profit from an associate and joint ventures		20,246,757	83,560,812	-	-
Profit (loss) before income taxes		(327,019,523)	484,774,760	(263,659,811)	27,131,612
Income tax expenses	23	(139,834,862)	(34,709,351)	(10,625,893)	(5,329,037)
Profit (loss) for the year		(466,854,385)	450,065,409	(274,285,704)	21,802,575
Other comprehensive income (expense), net of taxes					
Items that will be reclassified subsequently					
to profit or loss					
- Change in value of available-for-sale investments		(103,684)	16,816	-	-
- Currency translation differences		(865,403,984)	(411,827,320)	-	-
- Income tax relating to items that will be reclassified		20,737	(3,363)	-	-
Total items that will be reclassified					
to profit or loss, net of taxes		(865,486,931)	(411,813,867)	-	-
Items that will not be reclassified to profit or loss					
- Actuarial loss		-	(5,290,609)	-	-
- Income tax relating to items that will not be reclassified		-	1,058,122	-	-
Total items that will not be reclassified					
to profit or loss, net of taxes		-	(4,232,487)	-	-
Other comprehensive expense					
for the year, net of taxes		(865,486,931)	(416,046,354)	-	-
Total comprehensive income (expense) for the year		(1,332,341,316)	34,019,055	(274,285,704)	21,802,575

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

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Comprehensive Income
For the year ended 31 December 2019

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Profit (loss) attributable to:					
Owners of the parent		(466,854,385)	232,042,768	(274,285,704)	21,802,575
Non-controlling interests		-	218,022,641	-	-
		<u>(466,854,385)</u>	<u>450,065,409</u>	<u>(274,285,704)</u>	<u>21,802,575</u>
Total comprehensive income (expense)					
attributable to:					
Owners of the parent		(1,332,341,316)	(62,325,292)	(274,285,704)	21,802,575
Non-controlling interests		-	96,344,347	-	-
		<u>(1,332,341,316)</u>	<u>34,019,055</u>	<u>(274,285,704)</u>	<u>21,802,575</u>
Earnings (loss) per share					
Basic earnings (loss) per share	24	(0.20)	0.38	(0.12)	0.04

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

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Comprehensive Income
For the year ended 31 December 2019

Consolidated financial statements												
			Attributed to owners of the parent									
Notes			Other components of equity									
			Other comprehensive income					Equity attributable to owner of the parent				
			Issued and paid-up share capital	Premium on share capital	Surplus (discount) from business transferred under common control	Share-based payment	Retained earnings (deficits) Unappropriated	Fair value reserve of available-for-sale investments	Currency translation differences	Total other components of equity	Equity attributable to owner of the parent	Non-controlling interests
			Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2019			10,780,920,000	3,255,790,774	(2,119,140,909)	-	356,143,600	155,419	(290,149,026)	(289,993,607)	11,983,719,858	-
Increase of share capital	20		7,187,280,000	79,383,095	-	-	-	-	-	-	7,266,673,095	-
Share-based payment	25		-	-	-	4,733,108	-	-	-	-	4,733,108	-
Total comprehensive expense for the year			-	-	-	-	(466,854,385)	(82,947)	(865,403,984)	(865,486,931)	(1,332,341,316)	-
Closing balance as at 31 December 2019			17,968,200,000	3,335,183,869	(2,119,140,909)	4,733,108	(110,710,785)	72,472	(1,155,553,010)	(1,155,480,538)	17,922,784,745	-
Opening balance as at 1 January 2018			51,000,000	-	14,637,469	-	128,333,319	141,966	-	141,966	194,112,754	8,579,571,091
Increase of share capital	20		10,729,920,000	3,255,790,774	-	-	-	-	-	-	13,985,710,774	-
Effect from business transferred under common control			-	-	(2,133,778,378)	-	-	-	-	-	(2,133,778,378)	(8,675,915,438)
Total comprehensive income (expense) for the year			-	-	-	-	227,810,281	13,453	(290,149,026)	(290,135,573)	(62,325,292)	96,344,347
Closing balance as at 31 December 2018			10,780,920,000	3,255,790,774	(2,119,140,909)	-	356,143,600	155,419	(290,149,026)	(289,993,607)	11,983,719,858	-

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

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Changes in Equity
For the year ended 31 December 2019

		Separate financial statements				
		Issued and paid-up share capital	Premium on share capital	Share-based payment	Retained earnings (deficits) Unappropriated	Total equity
	Notes	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2019		10,780,920,000	3,255,790,774	-	21,315,915	14,058,026,689
Increase of share capital	20	7,187,280,000	79,393,095	-	-	7,266,673,095
Share-based payment	25	-	-	4,733,108	-	4,733,108
Total comprehensive expenses for the year		-	-	-	(274,285,704)	(274,285,704)
Closing balance as at 31 December 2019		<u>17,968,200,000</u>	<u>3,335,183,869</u>	<u>4,733,108</u>	<u>(252,969,789)</u>	<u>21,055,147,188</u>
Opening balance as at 1 January 2018		51,000,000	-	-	(486,660)	50,513,340
Increase of share capital	20	10,729,920,000	3,255,790,774	-	-	13,985,710,774
Total comprehensive income for the year		-	-	-	21,802,575	21,802,575
Closing balance as at 31 December 2018		<u>10,780,920,000</u>	<u>3,255,790,774</u>	<u>-</u>	<u>21,315,915</u>	<u>14,058,026,689</u>

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

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Cash Flows

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit (loss) for the year before income taxes		(327,019,523)	484,774,760	(263,659,811)	27,131,612
Adjustment to reconcile net profit (loss) for cash receipts (payments) from operations					
Depreciation and amortisation expenses		675,903,046	382,550,137	351,870	-
Allowance for doubtful accounts		2,780,445	209,094	-	-
Gains from disposal of short-term investments		(2,151,095)	(1,217,600)	-	-
Share-based payment		6,587,374	-	4,316,216	-
Employee benefits obligations		11,089,747	3,273,072	1,335,363	-
Losses from write-off and disposals of assets		13,179,555	3,350,730	-	-
Share of profit from investment in an associate and joint ventures		(20,246,757)	(83,560,812)	-	-
Unrealised losses on exchange rate		38,845,409	-	10,065,169	-
Interest income	21	(119,912,758)	(144,035,839)	(24,441,662)	(37,682,926)
Financial costs		424,646,986	292,664,711	177,991,246	112,430,110
Cash flows before changes in working capital		703,702,429	938,008,253	(94,041,609)	101,878,796
Changes in working capital					
Trade and other receivables		(64,542,065)	(44,047,596)	(111,525)	7
Amounts due from related parties		(49,510,722)	255,197,996	(9,196,617)	(28,966)
Inventories		38,528,507	(24,363,548)	-	-
Other current assets		(186,272,185)	(232,692,768)	(14,786,050)	(7,858,950)
Other non-current assets		136,518,850	873,732,538	(815,654)	(53)
Trade and other payables		362,895,992	(400,592,744)	47,859,749	8,586,053
Amounts due to related parties		(148,802,187)	83,415,220	(105,240,455)	111,532,872
Retention payables		40,319,568	32,659,867	-	-
Other current liabilities		107,956,243	175,372,828	2,588,775	141,379
Other non-current liabilities		(1,189,873)	2,235,568	-	-
Cash generated from (used in) operating activities		939,604,557	1,658,925,614	(173,743,386)	214,251,138
Employee benefits paid		(3,285,294)	(5,229,657)	(1,941)	-
Interest paid		(460,043,807)	(337,321,646)	(212,590,722)	(79,092,070)
Income tax paid		(93,956,536)	(95,804,645)	(8,451,341)	(136,386)
Net cash generated from (used in) operating activities		382,318,920	1,220,569,666	(394,787,390)	135,022,682

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

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Cash Flows

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Cash payments for purchase short-term investments		(916,000,000)	(674,100,000)	-	-
Cash receipts from disposal of short-term investments		822,866,558	677,438,500	-	-
Cash payments for short-term loans to related parties	26	-	-	(21,900,000)	(5,095,830,000)
Cash receipts from short-term loans to related party	26	-	-	21,900,000	138,000,000
Cash payments for long-term loans to related party	26	-	-	(650,000,000)	-
Cash receipts from long-term loans to related party	26	-	-	116,000,000	-
Cash payments for purchase property, plant and equipment		(3,806,177,250)	(4,506,110,311)	(3,777,192)	-
Cash payments for purchase leasehold rights	16	(2,753,296)	(808,598,104)	-	-
Cash payments for purchase intangible assets		(39,569,631)	(2,792,797)	(3,861,000)	-
Cash payments for business combination		-	(6,874,520,804)	-	-
Cash payments for investments in subsidiaries		-	-	-	(6,640,586,631)
Cash payments for business transferred under common control		-	(2,882,864,060)	-	-
Cash receipts from interest income		9,509,372	43,338,517	38,344,375	14,993,103
Cash receipts from dividend from an associate		31,882,240	-	-	-
Net cash used in investing activities		(3,900,242,007)	(15,028,209,059)	(503,293,817)	(11,583,423,528)
Cash flows from financing activities					
Cash receipts from short-term borrowings from related parties	26	62,000,000	5,365,830,000	162,000,000	5,365,830,000
Repayments of short-term borrowings from related parties	26	(5,357,830,000)	(623,250,000)	(5,457,830,000)	(70,000,000)
Cash receipts from long-term borrowings from financial institutions		4,149,013,715	-	648,375,000	-
Repayments of long-term borrowings from financial institutions		(865,752,485)	(339,791,902)	-	-
Cash receipts from increase of share capital of the Company		7,275,497,979	6,153,000,000	7,275,497,979	6,153,000,000
Net cash generated from financing activities		5,262,929,209	10,555,788,098	2,628,042,979	11,448,830,000
Net increase (decrease) in cash and cash equivalents		1,745,006,122	(3,251,851,295)	1,729,961,772	429,154
Losses on exchange rate on cash and cash equivalents		(46,303,865)	(233,224,870)	-	-
Cash and cash equivalents at beginning of the year		1,892,903,825	5,377,979,990	1,000,596	571,442
Cash and cash equivalents at ending of the year		3,591,606,082	1,892,903,825	1,730,962,368	1,000,596

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

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Cash Flows

For the year ended 31 December 2019

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Non-cash transactions				
Material non-cash transaction as of 31 December as follows:				
Increase of investment in a subsidiary from exchange of short-term loans	-	-	-	4,542,580,000
Increase of investment in a subsidiary from exchange of share capital	-	-	-	7,832,710,774
Increase of trade and other payables from purchase of property, plant and equipment	755,113,805	-	-	-

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

STATEMENT OF CASH FLOWS

Annual Report 2019

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Statement of Cash Flows
For the year ended 31 December 2019



Notes to the Consolidated and Separate Financial Statements

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

1 General information

S Hotels and Resorts Public Company Limited (the Company) (Formerly named "S Hotels and Resorts Co., Ltd.") is a public limited company, which is listed on the Stock Exchange of Thailand and incorporated in Thailand. The address of the Company's registered office is as follows:

123 Suntowers Building B, 10th floor, Vibhavadi-Rangsit Road, Chom Phon, Chatuchak, Bangkok 10900.

The principal business operations of the Company and its subsidiaries (the Group) are engaged in investment, hospitality business and related businesses in Thailand and overseas.

On 3 May 2019, the Company registered its conversion to a public limited company with the Ministry of Commerce and changed its name from S Hotels and Resorts Co., Ltd. to S Hotels and Resorts Public Company Limited in accordance with the conversion to a public limited company.

These consolidated and separate financial statements was authorised by the Board of Directors on 26 February 2020.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRSs") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except available-for-sale investments and investment properties at fair value which is explained in the relevant accounting policies.

The preparation of financial statements in conformity with TFRSs requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

The Group has applied the revised financial reporting standards which are effective on 1 January 2019 and relevant to the Group. The application of those financial reporting standards does not have significant impact to the Group.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020. The Group has not yet early adopted the new and revised financial reporting standards which are effective on 1 January 2020.

a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

a) Financial instruments (Cont'd)

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Group's management is currently assessing the impact of adoption of these standards.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

The Group's management is currently assessing the impact of adoption of this standard.

2.3 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group till the date that control ceases. In the separate financial statements, investments in subsidiaries are accounted for using cost.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. In the consolidated financial statements, investments in associates are accounted for using the equity method. In the separate financial statements, investments in associates are accounted for using cost.

c) Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. In the consolidated financial statements, interests in joint ventures are accounted for using the equity method. In the separate financial statements, investments in joint ventures are accounted for using cost.

d) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.3 Principles of consolidation and equity accounting (Cont'd)

e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

f) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

List of subsidiaries, associates, and joint ventures of the Group is presented in Note 11 and 12.

2.4 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises:

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost are recognised as expenses.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.4 Business combination (Cont'd)

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed of, transferred to retained earnings.

2.5 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item. Currency translation component will also be recognised in profit and loss.

c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

2.6 Cash and cash equivalents

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

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.7 Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction costs.

Available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of available-for-sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

2.8 Trade accounts receivable

Trade accounts receivable are amounts due from customers for goods sold or service performed in the ordinary course of business. Trade accounts receivable are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade accounts receivable at cost less allowance for doubtful accounts.

2.9 Inventories

The Group's inventories comprise food and beverage, supplies and hotel operating equipment. Inventories are stated at the lower of cost or net realisable value. Cost of inventories is determined by the weighted average method.

Cost of inventories comprise all purchase cost and costs directly attributable to the acquisition of the inventory. Net realisable value is the estimate of the selling price in the ordinary course of business less costs of completions and applicable variable selling expenses. The Group recognises allowance for decrease in value as appropriate.

2.10 Investment property

Property that is held for rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property of the Group is land and building held for long-term rental yields, including certain building under construction.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property and are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially completed, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment property under construction for which the fair value cannot be determined reliably but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Change in fair values are recognised in profit or loss. Investment property are derecognised when they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.10 Investment property (Cont'd)

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

2.11 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvements	5 to 47 years
Buildings and building improvements	Shorter of lease period or 5 to 50 years
Furniture, fixtures and office equipment	3 to 10 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Goodwill

The Group will test goodwill for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

2.13 Leasehold right

Leasehold right is stated at historical cost. Leasehold right is amortised over their estimated useful lives, 15 to 90 years.

2.14 Intangible assets

Intangible assets are initially measured at cost.

The assets with infinite useful life are hotel operating licenses and trademark which subsequently measured at cost less impairment losses (if any) and will be considered for impairment annually.

The assets with finite useful life are computer programs which subsequently measured at cost less amortisation and impairment losses (if any). Amortisation expense is calculated using straight-line method over the expected useful life of 3 years to 10 years. Costs associated with maintaining of computer programs are recognised when incurred.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.15 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.16 Leases

Where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

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

Where the Group is the lessor

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

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

2.17 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take long time to get ready for its intended use) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.18 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.19 Employee benefits

The Group operates various post-employment benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.20 Share-based payment (*Employee options*)

The Group receives services from employees as consideration for equity instruments (options) of the Group companies. The fair value of the options is recognised as an expense over the vesting period, with a corresponding increase in equity. The fair value of the options is determined by:

- including any market performance conditions (e.g. the entity's share price);
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time); and
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

At the end of each reporting period, the Group reviews the number of options that are expected to vest. It recognises the impact of the revision, if any, in profit or loss with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity from the proceed.

2.23 Revenue recognition

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

Hotel

Revenue from hotel ownership comprises amounts earned in respect of service of rooms, food and beverage sales, and other ancillary services. Revenue is recognised over the period when rooms are occupied or services are performed. Revenue from the sale of food and beverages and goods is recognised at the point of sale when the food and beverages and goods are delivered to customers. Payment is due immediately when the hotel guest occupies the room and receives the services and goods.

Other income

Other income is recognised on an accrual basis.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

3 Financial risk management

3.1 Financial risk factors

The Group is exposed to normal business risks from changes in interest rates and currency exchange rates. The Group uses derivative financial instruments to reduce the uncertainty over future cash flows arising from movements in interest rates and exchange rate and to manage the liquidity of cash resources.

3.1.1 Foreign exchange risk

The Group's primary functional currency is Thai Baht, while sales, purchases and borrowings transactions are primarily denominated in Euro, GBP and US Dollar. The Group apply General Hedge Method to manage foreign exchange rate risk.

3.1.2 Interest rate risk

The Group has interest rate risk from borrowings at fixed and floating interest rates.

The Group uses interest rate swaps as cash flow hedges of future variable borrowings' interest payments. The Group agrees with the other parties to exchange, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit. Derivative counterparties and deposits are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

3.1.4 Liquidity risk

The Group manages sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

3.2 Fair value

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Consolidated financial statements	
	Level 1	
	2019 Baht	2018 Baht
Assets:		
Investments in equity	155,766,423	60,585,570
Total assets	155,766,423	60,585,570

There were no transfers between levels 1, 2 and 3 during the year.

Fair values are categorised into hierarchy based on inputs used as follows:

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

There was no change to the valuation techniques during the year.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

4 Critical estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 15).

5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

6 Segment information

The Group's strategic steering committee, consisting of the Chief Executive Officer and the Chief Financial Officer, examines the Group's performance both from a geographic perspective and has identified 3 reportable segments of the Group's businesses.

The steering committee primarily uses a measure of segments' revenue and profit to assess the performance of the operating segments.

Significant information relating to revenue and profit of the reportable segments are as follows.

	Hospitality business - Inbound		Hospitality business - Outbound *		Others **		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Revenue from services								
Segment	995,144,508	1,176,025,913	2,443,880,130	1,476,702,496	656,787,918	608,009,545	4,085,812,556	3,260,738,054
Intersegment	(145,894)	(77,000,000)	-	-	(57,522,062)	(34,888,187)	(57,687,956)	(111,888,187)
Total	994,998,614	1,099,025,913	2,443,880,130	1,476,702,496	599,265,856	573,121,458	4,038,144,600	3,148,849,867
Timing of revenue recognition								
At a point in time	994,998,614	1,099,025,913	2,443,880,130	1,476,702,496	537,856,348	476,148,546	3,976,735,092	3,051,877,055
Over time	-	-	-	-	61,409,508	96,972,812	61,409,508	96,972,812
Total revenue	994,998,614	1,099,025,913	2,443,880,130	1,476,702,496	599,265,856	573,121,458	4,038,144,600	3,148,849,867
Profit (loss) before income taxes	147,465,145	220,426,265	89,882,134	104,901,010	(564,366,802)	159,447,485	(327,019,523)	484,774,760
Income tax expenses	-	-	-	-	-	(138,834,852)	(138,834,852)	(34,709,351)
Profit (loss) for the year	147,465,145	220,426,265	89,882,134	104,901,010	(564,366,802)	159,447,485	(466,854,385)	450,065,409

* means hospitality business under hotel management agreement.

** means hospitality business under joint venture agreement, hospitality business under Crossroads project which started on 1 September 2019 and other holding companies.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

6 Segment information (cont'd)

Significant information relating to assets of the reportable segments as at 31 December are as follows:

	Hospitality business - Inbound		Hospitality business - Outbound *		Others **		Total	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Assets as at 31 December								
Segment	5,853,050,549	25,713,498,401	11,232,148,550	12,078,895,501	34,183,091,917	8,355,804,567	51,268,291,016	46,148,198,469
Intersegment	(2,043,363,114)	(21,758,549,053)	(45,243,059)	-	(20,018,040,868)	-	(22,106,647,041)	(21,758,549,053)
Total	3,809,687,435	3,954,949,348	11,186,905,491	12,078,895,501	14,165,051,049	8,355,804,567	29,161,643,975	24,389,649,416

* means hospitality business under hotel management agreement

** means hospitality business under joint venture agreement, hospitality business under Crossroads project which started on 1 September 2019 and other holding companies.

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Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash	7,361,879	6,682,092	25,000	5,000
Bank deposit	3,584,244,203	1,886,221,733	1,730,937,368	995,596
Cash and cash equivalents	3,591,606,082	1,892,903,825	1,730,962,368	1,000,596

The interest rate of bank deposit was 0.01% to 1.50% per annum (2018 : 0.05% to 1.31% per annum).

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts receivable	250,019,024	211,509,281	-	-
<u>Less</u> Allowance for doubtful accounts	(2,889,052)	(209,094)	-	-
Trade accounts receivable, net	247,129,972	211,300,187	-	-
Accrued income	335,719	369,254	-	10
Other receivables, net	40,366,634	14,434,800	111,535	-
Trade and other receivables, net	287,832,325	226,104,241	111,535	10

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Less than 3 months	214,154,034	193,367,792	-	-
Over 3 months but less than 6 months	20,610,753	1,832,685	-	-
Over 6 months but less than 12 months	15,254,237	16,152,012	-	-
Over 12 months	-	156,792	-	-
	250,019,024	211,509,281	-	-
<u>Less</u> Allowance for doubtful accounts	(2,889,052)	(209,094)	-	-
Trade accounts receivable, net	247,129,972	211,300,187	-	-

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Food and beverages	59,261,474	30,770,486	-	-
Supplies used in operation	205,766,755	87,511,408	-	-
Finished goods	37,481,035	24,007,385	-	-
Inventories	302,509,264	142,289,279	-	-

The Group recognised inventories as costs of the operation in the consolidated financial statements of comprehensive income of Baht 486 million (2018: Baht 213 million).

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Undue input vat	6,907,938	136,733,881	1,006,270	7,681,332
Prepaid expenses	122,891,899	49,185,264	1,862,137	165,494
Deposits	15,408,207	52,810,155	-	-
Leasehold rights	49,737,559	53,345,653	-	-
Withholding tax deducted at source	195,587	120,941	-	-
Prepaid corporate income tax	4,702,434	34,035	-	-
Vat refundable	267,610,406	-	19,889,035	-
Others	13,811,184	1,668,759	-	13,755
Other current assets	481,265,214	293,898,688	22,757,442	7,860,581

11 Investments in an associate and joint ventures

The amounts recognised in the statements of financial position of as at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
An associate	20,863,794	24,386,103	-	-
Joint ventures	236,291,766	221,234,954	-	-
	257,155,560	245,621,057	-	-

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For the year ended 31 December 2019

11 Investments in an associate and joint ventures (Cont'd)

An associate

Name	Nature of business	Place of Business/country of incorporation	% of ownership interest	Consolidated financial statements		Separate financial statements	
				At equity method	2018	At cost method	2018
Laguna Service Co., Ltd.	Provide support hotel service	Thailand	27	20,863,794	24,386,103	-	-
				20,863,794	24,386,103	-	-

Joint ventures

Name	Nature of business	Place of Business/country of incorporation	% of ownership interest	Consolidated financial statements		Separate financial statements	
				At equity method	2018	At cost method	2018
FS JV CO LIMITED	Holding company	United Kingdom	50	160,980,860	149,090,529	-	-
FS JV LICENSE LIMITED	Holding company	United Kingdom	50	75,310,876	72,144,425	-	-
SW Development Holding Co., Ltd	Holding company	Seychelles	50	30	-	-	-
				236,291,766	221,234,954	-	-

An associate and all joint ventures are a limited company and have no available quoted price in the market.

Change in investment

During the year, the Board of Directors' meeting of S Hotels and Resorts (SC) Co., Ltd. (SHC), a subsidiary of the Group, approved the investment in SW Development Holding Co., Ltd. (SMD) which is a newly established company, registered in Republic of Seychelles. SHC holds 50% of shareholding in SMD. The remaining shareholding is held by Wai Eco World Developer Pte. Ltd., which registered in Singapore, according to the Joint Venture Agreement. SMD has the registered share capital of US Dollar 65.8 million which are 65.8 million ordinary shares at a par value of US Dollar 1 each. As at 31 December 2019, SMD called for share subscription of US Dollar 1.

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Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

11 Investments in an associate and joint ventures (Cont'd)**Joint ventures (Cont'd)****Summarised financial statements of joint ventures****Summarised the statements of financial position as at 31 December**

	FS JV CO LIMITED		FS JV LICENSE LIMITED		Total	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current						
Cash and cash equivalent	311,798,192	348,273,416	42,965,951	55,783,924	354,764,143	404,057,340
Other current assets	364,087,299	289,146,400	33,659,693	29,742,385	397,746,992	318,888,785
Total current assets	675,885,491	637,419,816	76,625,644	85,526,309	752,511,135	722,946,125
Non-current assets						
Non-current assets	6,653,747,496	6,977,966,698	435,714,254	458,912,743	7,089,461,750	7,436,879,441
Total Non-current assets	6,653,747,496	6,977,966,698	435,714,254	458,912,743	7,089,461,750	7,436,879,441
Current liabilities						
Other current liabilities (included trade accounts payable)	(5,321,802,734)	(1,372,460,059)	(75,849,098)	(90,585,420)	(5,397,651,832)	(1,463,045,479)
Total current liabilities	(5,321,802,734)	(1,372,460,059)	(75,849,098)	(90,585,420)	(5,397,651,832)	(1,463,045,479)
Non-current liabilities						
Financial liabilities	(1,481,867,959)	(5,694,177,635)	(285,869,032)	(309,564,783)	(1,767,736,991)	(6,003,742,418)
Other non-current liabilities	(232,361,354)	(278,928,541)	-	-	(232,361,354)	(278,928,541)
Total non-current liabilities	(1,714,229,313)	(5,973,106,176)	(285,869,032)	(309,564,783)	(2,000,098,345)	(6,282,670,959)
Net assets	293,600,940	269,820,279	150,621,752	144,288,849	444,222,692	414,109,128

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For the year ended 31 December 2019

11 Investments in an associate and joint ventures (Cont'd)

Joint ventures (Cont'd)

Summarised financial statements of joint ventures (Cont'd)

Summarised statement of other comprehensive income for the years ended 31 December

	FS JV CO LIMITED		FS JV LICENSE LIMITED		Total	
	2019	2018	2019	2018	2019	2018
	Baht	Baht	Baht	Baht	Baht	Baht
Revenues	3,334,021,448	3,694,851,136	207,720,208	231,180,137	3,541,741,656	3,926,031,273
Cost of sales	(1,515,900,348)	(1,647,539,444)	(109,150,358)	(119,424,530)	(1,625,050,706)	(1,766,963,974)
Operating expenses	(1,462,795,194)	(1,586,302,974)	(74,672,217)	(30,272,275)	(1,537,467,411)	(1,616,575,249)
Interest expenses	(275,131,242)	(288,618,891)	(11,684,172)	(12,517,700)	(286,815,414)	(301,136,591)
Profit from continuing operations	80,194,664	172,389,827	12,213,461	68,965,632	92,408,125	241,355,459
Income tax	(48,587,084)	(73,348,416)	-	-	(48,587,084)	(73,348,416)
Post-tax profit from continuing operations	31,607,580	99,041,411	12,213,461	68,965,632	43,821,041	168,007,043
Other comprehensive expense	(7,826,918)	(17,232,681)	(5,880,558)	(8,900,113)	(13,707,476)	(26,132,794)
Total comprehensive income	23,780,662	81,808,730	6,332,903	60,065,519	30,113,565	141,874,249
Dividend received from joint ventures	-	-	-	-	-	-

The information above reflects the amounts presented in the financial statements of joint ventures (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and joint ventures.

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Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

11 Investments in an associate and joint ventures (Cont'd)**Joint ventures (Cont'd)**

Reconciliation of the summarised financial statements presented to the carrying amount of its interests in joint ventures:

	FS JV CO LIMITED		FS JV LICENSE LIMITED		Total	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening net assets						
Profit for the year	269,820,277	188,011,547	144,268,849	84,223,330	414,109,126	272,234,877
Other comprehensive expense	31,607,580	99,041,411	12,213,461	68,965,632	43,821,041	168,007,043
	(7,826,918)	(17,232,681)	(5,880,558)	(8,900,113)	(13,707,476)	(26,132,794)
Closing net assets	293,600,939	269,820,277	150,621,752	144,288,849	444,222,691	414,109,126
Interest in joint ventures	50%	50%	50%	50%		
Carrying value before adjust	146,800,470	134,910,139	75,310,876	72,144,425	222,111,346	207,054,564
Goodwill	14,180,390	14,180,390	-	-	14,180,390	14,180,390
Carrying value	160,980,860	149,090,529	75,310,876	72,144,425	236,291,736	221,234,954

As at 31 December 2019, FS JV CO LIMITED has classified long-term borrowings from financial institutions amounting to Baht 4,082 million to current portion since it can not retain the financial ratio as specified in the borrowing agreement. However, the shareholders of such joint venture intend to provide financial support for them. The Group's management and other shareholder are currently negotiating with the financial institution to waive the covenant breach.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

11 Investments in an associate and joint ventures (Cont'd)

Individually immaterial an associate and a joint venture

The table below is the carrying amount of its interests, in aggregate, all individually immaterial an associate and a joint venture that are accounted for using equity method.

	2019 Baht
Aggregate carrying amount of individually immaterial an associate and a joint venture	20,863,824
The Group's share of:	
Profit from continuing operations	20,246,757

The future aggregate minimum lease payments under non-cancellable operating leases of joint ventures, based on the percentage of interest, are as follows:

	Consolidated financial statements	
	2019 GBP'000	2018 GBP'000
Not later than 1 year	2,770	2,779
Later than 1 year but not later 5 years	11,024	10,886
Later than 5 years	81,552	84,452
Total	95,346	98,117

12 Investments in subsidiaries

As at 31 December, investments in subsidiaries are as follows:

	Separate financial statements At cost method	
	2019 Baht	2018 Baht
S Hotel Phi Phi Island Co., Ltd.	299,999,600	299,999,600
S Hotel Management Co., Ltd.	2,872,999,900	2,872,999,900
S Hotels and Resorts APAC (SG) Pte. Ltd.	8,060,166,631	8,060,166,631
S Hotels and Resorts (SC) Co., Ltd.	5,768,887,646	5,768,887,646
S Hotels and Resorts (HK) Ltd.	2,063,823,128	2,063,823,128
	19,065,876,905	19,065,876,905

As at 31 December 2019, the Group used investments in subsidiaries, which the net book value totalling to Baht 5,769 million and US Dollar 5,999, as collaterals in order to pledge the long-term borrowings from financial institutions (Note 19).

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12 Investments in subsidiaries (Cont'd)

As at 31 December, the subsidiaries included in the consolidated financial statements. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

	Country incorporation	Business	Proportion of ordinary share directly held by the parent		Proportion of ordinary share directly held by the Group		Proportion of ordinary share directly held by non-controlling interest	
			2019 (%)	2018 (%)	2019 (%)	2018 (%)	2019 (%)	2018 (%)
S Hotel Phi Phi Island Co., Ltd.	Thailand	Hospitality	99.99	99.99	-	-	0.01	0.01
S Hotel Management Co., Ltd.	Thailand	Hospitality	99.99	99.99	-	-	0.01	0.01
S Hotels and Resorts APAC (SG) Pte. Ltd.	Singapore	Holding company	100.00	100.00	-	-	-	-
APAC Holding, LLC	Cayman Islands	Holding company	-	-	100.00	100.00	-	-
Madison Offshore Holdings I, LLC	Cayman Islands	Holding company	-	-	100.00	100.00	-	-
OTRG APAC Holdings, LLC	Cayman Islands	Holding company	-	-	100.00	100.00	-	-
SHR Hotels USA, Inc	United State of America	Holding company	-	-	100.00	100.00	-	-
SHR Global Holdings LLC	United State of America	Holding company	-	-	100.00	100.00	-	-
APAC Real Estate Holdings LLC	United State of America	Holding company	-	-	100.00	100.00	-	-
LBRI LLC	United State of America	Holding company	-	-	100.00	100.00	-	-
AREH III LLC	United State of America	Holding company	-	-	100.00	100.00	-	-
OCL US LLC	United State of America	Holding company	-	-	100.00	100.00	-	-
OHL US LLC	United State of America	Holding company	-	-	100.00	100.00	-	-
AREH III LLC	United State of America	Holding company	-	-	100.00	100.00	-	-

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12 Investments in subsidiaries (Cont'd)

As at 31 December, the subsidiaries included in the consolidated financial statements. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group. (Cont'd)

	Country incorporation	Business	Proportion of ordinary share directly held by the parent		Proportion of ordinary share directly held by the Group		Proportion of ordinary share directly held by non-controlling interest	
			2019 (%)	2018 (%)	2019 (%)	2018 (%)	2019 (%)	2018 (%)
SHR Global Holdings II LLC	United State of America	Holding company	-	-	100.00	100.00	-	-
Hillview Global Pte Limited	Fiji	Holding company	-	-	100.00	100.00	-	-
OC Pte Limited	Fiji	Hospitality	-	-	100.00	100.00	-	-
OH Pte Limited	Fiji	Holding company	-	-	100.00	100.00	-	-
OHH (Fiji) Pte Limited	Fiji	Holding company	-	-	100.00	100.00	-	-
Hillview Pte Limited	Fiji	Hospitality	-	-	100.00	100.00	-	-
Saltlake Resorts Limited	Mauritius	Hospitality	-	-	100.00	100.00	-	-
O.K.M Private Limited	The Republic of Maldives	Hospitality	-	-	100.00	100.00	-	-
Castleton Hotels & Resorts PTE LTD.	Singapore	Holding company	-	-	100.00	100.00	-	-
Madison Offshore (Thailand) Co., Ltd.	Thailand	Holding company	-	-	100.00	100.00	-	-
Na Nimmann Co., Ltd.	Thailand	Hospitality	-	-	100.00	100.00	-	-
Laguna Beach Development Co., Ltd.	Thailand	Holding company	-	-	100.00	100.00	-	-
Laguna Phuket Club Co., Ltd.	Thailand	Hospitality	-	-	100.00	100.00	-	-
Laguna Paradise Co., Ltd.	Thailand	Holding company	-	-	100.00	100.00	-	-
S Hotels and Resorts (HK) Ltd.	Hongkong	Holding company	100.00	100.00	-	-	-	-
S Hotels and Resorts (UK) Ltd.	United Kingdom	Holding company	-	-	100.00	100.00	-	-

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12 Investments in subsidiaries (Cont'd)

As at 31 December, the subsidiaries included in the consolidated financial statements. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group. (Cont'd)

	Country incorporation	Business	Proportion of ordinary share directly held by the parent		Proportion of ordinary share directly held by the Group		Proportion of ordinary share directly held by non-controlling interest	
			2019 (%)	2018 (%)	2019 (%)	2018 (%)	2019 (%)	2018 (%)
S Hotels and Resorts (SC) Co., Ltd.	The Republic of Seychelles	Holding company	100.00	100.00	-	-	-	-
Prime Locations Management 2 Ltd.	The Republic of Seychelles	Holding company	-	-	100.00	100.00	-	-
Dream Islands Development 2 Pvt. Ltd.	The Republic of Maldives	Hospitality	-	-	99.98	99.98	0.02	0.02
Prime Locations Management 3 Ltd.	The Republic of Seychelles	Holding company	-	-	100.00	-	-	-
Dream Islands Development 3 Pvt. Ltd.	The Republic of Maldives	Hospitality	-	-	100.00	-	-	-

All subsidiaries undertaking are included in the consolidation.

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Notes to the Consolidated and Separate Financial Statements

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13 Investments properties

	Consolidated financial statements
	Building and building improvement Baht
Opening balance at 31 December 2018	-
Transfer	584,914,946
Currency translation differences	(16,834,673)
Closing balance at 31 December 2019	568,080,273

Valuation of investments properties was classified as fair value in Level 3 based on information used in valuation technique which is comparable to the current price. As at 31 December 2019, the construction of the investments properties was not 100% completed.

As at 31 December 2019, the Group used investments properties (2018: Nil) as collaterals in order to pledge the long-term borrowings from financial institutions (Note 19).

Amounts recognised in profit and loss that are related to investments properties are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental income	15,878,688	-	-	-
Direct operating expense that generated rental income	18,531,661	-	-	-
Direct operating expense that did not generate rental income	16,596,776	-	-	-

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14 Property, plant and equipment, net

	Consolidated financial statements					
	Land Baht	Land improvements Baht	Building and building improvements Baht	Furniture, fixtures and office equipments Baht	Vehicles Baht	Construction in progress Baht
At 1 January 2018						
Cost	2,044,817,082	107,096,768	1,341,931,046	359,073,822	38,226,504	21,306,684
Less: Accumulated depreciation	-	(39,222,899)	(421,393,698)	(192,410,334)	(21,585,169)	-
Net book amount	2,044,817,082	67,873,869	920,537,348	166,663,488	16,641,335	21,306,684
Year ended 31 December 2018						
Opening net book amount	2,044,817,082	67,873,869	920,537,348	166,663,488	16,641,335	21,306,684
Additions	-	-	12,555,914	54,853,355	10,423,833	4,745,778,016
Increase from acquisition of subsidiaries	3,591,499,562	81,168,230	4,575,536,096	502,622,400	7,356,890	40,682,223
Transfer in (out)	(207,817,082)	18,107,522	170,911,696	48,590,916	770	(248,303,830)
Write-offs and disposals, net	-	-	(1,218,434)	(1,983,692)	(1,346)	(185,543)
Depreciation charge	-	(20,458,321)	(191,715,615)	(137,429,270)	(8,539,372)	-
Currency translation differences	32,401,299	1,003,432	3,614,256	(194,341)	(91,354)	4,482,040
Closing net book amount	5,460,900,861	147,694,732	5,490,221,261	633,122,856	25,790,756	4,563,759,590
At 31 December 2018						
Cost	5,460,900,861	189,035,900	6,984,607,667	2,021,793,670	53,404,063	4,563,759,590
Less: Accumulated depreciation	-	(41,341,168)	(1,494,386,406)	(1,398,670,814)	(27,613,307)	-
Net book amount	5,460,900,861	147,694,732	5,490,221,261	633,122,856	25,790,756	4,563,759,590

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14 Property, plant and equipment, net (Cont'd)

	Consolidated financial statements						
	Land Baht	Land improvements Baht	Building and improvements Baht	Furniture, fixtures and office equipments Baht	Vehicles Baht	Construction in progress Baht	Total Baht
Year ended 31 December 2019							
Opening net book amount	5,460,900,861	147,694,732	5,490,221,261	633,122,856	25,790,756	4,563,759,590	16,321,480,056
Additions	-	2,834,619	17,216,607	39,563,089	17,683,410	4,497,464,786	4,574,762,511
Transfer in (out)	-	79,431,453	7,437,200,778	653,223,304	-	(8,748,984,004)	(579,128,469)
Write-offs and disposals, net	-	-	(11,122,350)	(1,898,012)	(1,971)	(136,023)	(13,158,356)
Depreciation charge	-	(20,758,504)	(374,211,078)	(225,468,788)	(9,715,357)	-	(630,153,727)
Currency translation differences	(200,235,563)	(6,832,272)	(449,905,080)	(49,307,196)	(900,479)	(198,033,663)	(905,214,253)
Closing net book amount	5,260,665,298	202,370,028	12,109,400,138	1,049,235,253	32,856,359	114,070,686	18,768,597,762
At 31 December 2019							
Cost	5,260,665,298	260,338,944	12,767,365,961	2,543,968,229	69,240,932	114,070,686	21,015,650,050
Less: Accumulated depreciation	-	(57,968,916)	(657,965,823)	(1,494,732,976)	(36,384,573)	-	(2,247,052,288)
Net book amount	5,260,665,298	202,370,028	12,109,400,138	1,049,235,253	32,856,359	114,070,686	18,768,597,762

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14 Property, plant and equipment, net (Cont'd)

	Separate financial statements			Total Baht
	Building and building improvements Baht	Furnitures, fixtures, and office equipment Baht	Construction in progress Baht	
Year ended 31 December 2019				
Opening net book amount	-	-	-	-
Additions	879,029	1,818,163	1,080,000	3,777,192
Depreciation charge	(58,307)	(293,563)	-	(351,870)
Closing net book amount	820,722	1,524,600	1,080,000	3,425,322
At 31 December 2019				
Cost	879,029	1,818,163	1,080,000	3,777,192
<u>Less</u> Accumulated depreciation	(58,307)	(293,563)	-	(351,870)
Net book amount	820,722	1,524,600	1,080,000	3,425,322

As at 31 December 2019, the Group uses land and building of Baht 16,232.99 million (2018 : Baht 9,681.11 million) as collaterals in order to pledge the long-term borrowings from financial institutions (Note 19).

For the Group, depreciation expense of Baht 617,371,301 and Baht 12,782,426 has been charged in cost of services and administrative expenses, respectively (2018: Baht 355,941,636 and Baht 2,200,942, respectively). For the Company, depreciation expense of Baht 351,870 has been charged in administrative expenses (2018 Nil).

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15 Goodwill

	Consolidated financial statements	
	2019 Baht	2018 Baht
At 1 January		
Cost	1,207,972,046	249,202,677
<u>Less</u> Allowance for impairment	-	-
Net book amount	1,207,972,046	249,202,677
Year ended 31 December		
Opening net book amount	1,207,972,046	249,202,677
Increase from acquisition of subsidiaries	-	946,591,872
Currency translation differences	(96,270,345)	12,177,497
Closing net book amount	1,111,701,701	1,207,972,046
At 31 December		
Cost	1,111,701,701	1,207,972,046
<u>Less</u> Allowance for impairment	-	-
Net book amount	1,111,701,701	1,207,972,046

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

A segment-level summary of the goodwill allocation is presented below.

	Consolidated financial statements	
	2019 Baht	2018 Baht
Goodwill allocation:		
Hospitality business - Inbound	249,202,677	249,202,677
Hospitality business - Outbound	862,499,024	958,769,369
Net book amount	1,111,701,701	1,207,972,046

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates. Based as the calculation, there are sufficient headroom over the book value.

The key assumptions used for value-in-use calculations are as follows:

	2019 Baht	2018 Baht
Growth rate	3%	3%
Discount rate	7.35% - 12%	9.5% - 12%

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The impairment assessment of goodwill includes impairment of trademark and hotel operation licenses which are presented under intangible assets.

If the assumptions used in calculation on impairment test for goodwill changes, the growth rate decrease by 1% per annum or discount rate increase by 1% per annum, there is still no impairment of goodwill.

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16 Leasehold

	Consolidated financial statement Baht
Net book amount as at 1 January 2018	8,244,089
Increase from acquisition of subsidiaries	1,016,901,282
Addition during the year	808,598,104
Transfer to current portion (Note 10)	(53,345,653)
Transfer to other assets	(9,930,158)
Currency transaction differences	5,832,223
Net book amount as at 31 December 2018	1,776,299,887
Addition during the year	2,753,296
Transfer to current portion	(49,737,559)
Currency transaction differences	(109,275,251)
Net book amount as at 31 December 2019	1,620,040,373

17 Deferred income taxes

Deferred income tax presented in the statements of financial position comprised of:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred income tax assets	36,748,694	33,359,932	326,639	-
Deferred income tax liabilities	(806,386,886)	(815,529,219)	-	-
Deferred income tax, net	(769,638,192)	(782,169,287)	326,639	-

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred income tax assets:				
Deferred income tax asset				
to be recovered within 12 months	-	-	-	-
Deferred income tax asset				
to be recovered after more than 12 months	33,047,968	69,429,292	333,092	-
	33,047,968	69,429,292	333,092	-
Deferred income tax liabilities:				
Deferred income tax liabilities				
to be settled within 12 months	(18,118)	(38,855)	-	-
Deferred income tax liabilities to be				
settled after more than 12 months	(802,668,042)	(851,559,724)	(6,453)	-
	(802,686,160)	(851,598,579)	(6,453)	-
Deferred income tax, net	(769,638,192)	(782,169,287)	326,639	-

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For the year ended 31 December 2019

17 Deferred income taxes (Cont'd)

The movement of the deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	(782,169,287)	26,871,847	-	-
Increase from acquisition of subsidiaries	-	(792,732,788)	-	-
Increase (decrease) to profit or loss	(46,867,472)	(7,223,529)	326,639	-
Increase to other comprehensive income	20,737	1,054,759	-	-
Currency translation differences	59,377,830	(10,139,576)	-	-
At 31 December	(769,638,192)	(782,169,287)	326,639	-

The movement in deferred income tax assets and liabilities is as follows:

	Consolidated financial statements						
	Employee benefit obligation Baht	Re-measuring of fair value Baht	Allowance for doubtful debt Baht	Tax losses Baht	Share-based payment Baht	Others Baht	Total Baht
Deferred income tax assets							
As at 1 January 2018	3,132,405	30,436,870	-	-	-	-	33,569,275
Increase from acquisition of subsidiaries	1,132,393	-	-	30,012,939	-	5,995,025	37,140,357
Increase (decrease) to profit or loss	(764,206)	(2,200,711)	20,097	-	-	138,882	(2,805,938)
Increase to other comprehensive income	1,058,122	-	-	-	-	-	1,058,122
Currency translation differences	14,253	-	-	377,765	-	75,458	467,476
As at 31 December 2018	4,572,967	28,236,159	20,097	30,390,704	-	6,209,365	69,429,292
As at 1 January 2019	4,572,967	28,236,159	20,097	30,390,704	-	6,209,365	69,429,292
Increase/(decrease) to profit or loss	2,116,253	(2,200,711)	402,232	(28,095,547)	66,407	(5,908,411)	(33,619,777)
Currency translation differences	(165,436)	-	-	(2,295,157)	-	(300,954)	(2,761,547)
As at 31 December 2019	6,523,784	26,035,448	422,329	-	66,407	-	33,047,968

	Consolidated financial statements				
	Re-measuring of fair value Baht	Depreciation Baht	Share profit from joint ventures Baht	Others Baht	Total Baht
Deferred income tax liabilities					
As at 1 January 2018	(35,493)	-	(6,661,935)	-	(6,697,428)
Increase from acquisition of subsidiaries	(770,706,836)	(51,475,263)	-	(7,691,046)	(829,873,145)
Increase (decrease) to profit or loss	8,192,508	1,051,929	(14,187,426)	525,398	(4,417,591)
Decrease to other comprehensive income	(3,363)	-	-	-	(3,363)
Currency translation differences	(9,862,360)	(647,906)	-	(96,786)	(10,607,052)
As at 31 December 2018	(772,415,544)	(51,071,240)	(20,849,361)	(7,262,434)	(851,598,579)
As at 1 January 2019	(772,415,544)	(51,071,240)	(20,849,361)	(7,262,434)	(851,598,579)
Increase (decrease) to profit or loss	13,526,635	(19,262,925)	(6,767,028)	(744,377)	(13,247,695)
Increase to other comprehensive income	20,737	-	-	-	20,737
Currency translation differences	54,260,844	7,264,013	46,151	568,369	62,139,377
As at 31 December 2019	(704,607,328)	(63,070,152)	(27,570,238)	(7,438,442)	(802,686,160)

	Separate financial statements		
	Employee benefit obligation Baht	Share-based payment Baht	Total Baht
Deferred tax assets			
At 1 January 2019	-	-	-
Increase to profit or loss	266,685	66,407	333,092
At 31 December 2019	266,685	66,407	333,092

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17 Deferred income taxes (Cont'd)

	Separate financial statements	
	Depreciation Baht	Total Baht
Deferred income tax liabilities		
At 1 January 2019	-	-
Decrease to profit or loss	(6,453)	(6,453)
At 31 December 2019	(6,453)	(6,453)

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 355.49 million in respect of losses amounting to Baht 1,777.47 million that can be carried forward against future taxable income. These loss carry forward will be expired in 2024.

18 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts payable	335,735,160	130,258,671	-	-
Other payables	40,811,640	111,846,790	3,304,241	4,320,493
Accrued expenses	1,058,718,551	214,492,450	68,646,292	4,323,811
Unearned revenue	278,794,479	210,308,705	2,893,580	-
Trade and other payables	1,714,059,830	666,906,616	74,844,113	8,644,304

19 Borrowings

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current				
Current portion of long-term borrowings, net	382,101,159	1,910,591,038	-	-
Total current	382,101,159	1,910,591,038	-	-
Non-current				
Long-term borrowings, net	7,465,419,033	2,823,775,926	648,551,921	-
Total non-current	7,465,419,033	2,823,775,926	648,551,921	-
Total borrowings, net	7,847,520,192	4,734,366,964	648,551,921	-

Borrowings of Baht 7,199 million (2018: Baht 4,734 million) are secured by the Group's land, buildings and shares of subsidiaries of the Group.

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19 Borrowing (Cont'd)

Long-term borrowings from financial institutions as at 31 December 2019 and 2018 are detailed as follows:

Condition of borrowing			Consolidated financial statements		Separate financial statement	
No.	Credit facility	Payment term	Secured by	Interest % per annum	2019 Baht	2018 Baht
S Hotels and Resorts Public Company Limited						
1.	Baht 650,000,000	On quarterly basis from 31 May 2021 to 31 August 2022	Nil	MLR minus certain margin	648,551,921	648,551,921
S Hotel Phi Phi Island Co., Ltd.						
2.	Baht 2,320,000,000	On quarterly basis from 31 March 2018 to 31 August 2027	Land and buildings and the transfer of the beneficiary rights under insurance policy to bank	MLR minus certain margin	1,833,227,288	1,952,045,884
Dream Islands Development 2 Private Limited						
3.	USD 120,000,000	On quarterly basis from 30 June 2021 to 31 March 2037	Subsidiaries' shares hold by the Group and Land and buildings	LIBOR plus certain margin	2,877,963,017	-
S Hotels and Resorts APAC (SG) Pte. Ltd. and its subsidiaries						
4.	USD 28,000,000	Quarterly basis within 4 September 2020	Land and buildings	LIBOR plus certain margin	-	586,700,952
5.	USD 3,560,000	Quarterly basis within 31 December 2025	Land and buildings	LIBOR plus certain margin	94,973,132	-
6.	EUR 12,673,600	Quarterly basis within 31 December 2025	Land and buildings	LIBOR plus certain margin	379,228,231	-
7.	FJD 48,333,959	Quarterly basis within 31 August 2022	Land and buildings	Published index rate minus certain margin	417,859,372	510,230,638
8.	FJD 16,140,457	Quarterly basis within 31 July 2022	Land and buildings	Published index rate minus certain margin	219,605,252	253,698,824
9.	FJD 4,900,000	Monthly basis within 31 July 2019	Land and buildings	Published index rate minus certain margin	-	9,438,230
10.	FJD 2,100,000	Monthly basis within 31 July 2019	Land and buildings	Published index rate minus certain margin	-	4,044,973
11.	Baht 1,425,000,000	Quarterly basis within 31 March 2021	Land and buildings	MLR minus certain margin	1,376,111,979	1,418,207,463
Total long-term borrowings from financial institutions, net					7,847,520,192	4,734,366,964
Less: Current portion of long-term borrowings, net					(382,101,159)	(1,910,591,038)
Long-term borrowings, net					7,465,419,033	2,823,775,926
					648,551,921	-

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19 Borrowing (Cont'd)

Interest rate risk of borrowings from financial institutions is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowings				
At fixed rates	-	-	-	-
At floating rates	7,847,520,192	4,734,366,964	648,551,921	-
Total borrowings	7,847,520,192	4,734,366,964	648,551,921	-

The effective interest rates at the statements of financial position date are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowings from financial institutions	3.01% to 7.34%	4.03% to 7.39%	3.75%	-

The fair value of borrowings approximately equal their carrying amount, as the impact of discounting is not significant.

Maturities of borrowings are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Within 1 year	382,101,159	1,910,591,038	-	-
Later than 1 year but not later than 5 years	7,386,385,473	2,823,775,926	648,551,921	-
Later than 5 years	79,033,560	-	-	-
Total borrowings	7,847,520,192	4,734,366,964	648,551,921	-

The Group have the following undrawn committed borrowing facilities:

	Consolidated financial statements (Original currency)					
	2019			2018		
	Baht	US Dollar	Fijian Dollar	Baht	US Dollar	Fijian Dollar
Floating rate						
- expiring within 1 year	-	-	-	1,425,000,000	-	-
- expiring beyond 1 year	302,465,000	24,000,000	16,750,698	264,965,000	-	15,377,000
Total	302,465,000	24,000,000	16,750,698	1,689,965,000	-	15,377,000

The facilities expiring within one year are annual facilities subject to review at various dates during year. The other facilities have been arranged to help finance the proposed expansion of the Group and the Company activities.

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20 Share capital and premium on share capital

The Annual General Meeting of the shareholders held on 26 April 2019 approved the following resolutions.

Change in par value of the Company's ordinary shares

To approve the change in the par value of the Company's ordinary shares from Baht 100 per share to Baht 5 per share and the increase of ordinary share from 107,809,200 shares to 2,156,184,000 shares. The Company registered the change in the par value of the Company's ordinary shares with the Ministry of Commerce on 3 May 2019.

Increase of registered share capital

To increase the Company's registered capital by Baht 7,537,280,000 from Baht 10,780,920,000 (2,156,184,000 ordinary shares of Baht 5 each) to Baht 18,318,200,000 (3,663,640,000 ordinary shares of Baht 5 each), through the issue of 1,507,456,000 new ordinary shares of Baht 5 each. The Company registered the capital increase with the Ministry of Commerce on 3 May 2019.

The Company allocates and reserves the 1,507,456,000 new ordinary shares to support the exercise of the IPO and PO Warrants.

On 8 November 2019, the Company received an additional paid-up share capital for 1,437,456,000 ordinary shares with a par value of Baht 5 per share from an initial public offering ("IPO") at IPO price of Baht 5.20 per share, totalling Baht 7,474.77 million. The Company registered this additional paid-up share capital with Department of Business Development on the same date. The Company's shares traded in the Stock Exchange of Thailand commencing on 12 November 2019.

	Consolidated and separate financial statements			
	Number of shares Shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
At 1 January 2018	10,200,000	51,000,000	-	51,000,000
Increase of share capital	2,145,984,000	10,729,920,000	3,255,790,774	13,985,710,774
At 31 December 2018	2,156,184,000	10,780,920,000	3,255,790,774	14,036,710,774
Increase of share capital	1,437,456,000	7,187,280,000	79,393,095	7,266,673,095
At 31 December 2019	3,593,640,000	17,968,200,000	3,335,183,869	21,303,383,869

As at 31 December 2019, registered ordinary share of 3,593,640,000 shares (2018: 2,156,184,000 shares) at a par value of Baht 5 per share (2018: Baht 5 per share) were issued and fully paid up.

21 Other income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest income	119,912,758	144,035,838	24,441,662	37,682,926
Management fee	61,429,508	96,546,550	-	-
Gains on exchange rate	-	242,808,021	171	217,333,232
Gains on disposal of short-term investments	2,151,095	1,217,600	-	-
Others	16,292,725	4,952,637	315,073	2,336
Total	199,786,086	489,560,646	24,756,906	255,018,494

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22 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of services	737,332,449	797,516,763	-	-
Raw material and consumables used	100,984,428	56,473,236	-	-
Staff costs	1,229,900,329	389,099,883	73,762,514	149,580
Depreciation and amortisation	675,903,047	382,554,051	351,870	-
Marketing expenses	216,044,432	189,582,716	11,344,472	-
Operating lease payment	59,974,166	15,078,829	4,261,390	-
Repair and maintenance	84,948,356	48,599,296	122,943	-
Consulting fees	61,322,058	39,432,247	18,627,306	10,320,096
Losses on exchange rate	30,870,599	-	11,347,849	-
Services fees	181,990,633	254,412,207	11,252,293	104,427,766
Utilities expenses	177,257,826	101,729,049	612,374	-
Losses of written-off of fixed assets	13,179,555	3,350,730	-	-

23 Income tax expenses

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current income tax:				
Current tax on profits for the year	92,967,390	27,485,822	10,952,532	5,329,037
Total current income tax	92,967,390	27,485,822	10,952,532	5,329,037
Deferred income tax:				
Origination temporary differences	46,867,472	7,223,529	(326,639)	-
Total deferred income tax	46,867,472	7,223,529	(326,639)	-
Total income tax expenses	139,834,862	34,709,351	10,625,893	5,329,037

The tax on the Group's profit (loss) before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Profit (loss) before tax	(327,019,523)	484,774,760	(263,659,811)	27,131,612
Tax calculated at a tax rate of 20% (2018 : 20%)	(65,403,905)	96,954,952	(52,731,962)	5,426,322
Tax effect of:				
(Income)/expense adjustment in accordance with Revenue Code	71,839,126	(40,064,471)	(165,717)	-
Tax losses for which no deferred income tax asset was recognised	100,228,452	4,851,727	23,974,601	-
Income not subject to tax	(30,992,484)	(24,870,941)	-	-
Tax effect from different tax rate	14,025,223	(16,407,776)	39,548,971	-
Others	50,138,450	14,245,860	-	(97,285)
Tax charge	139,834,862	34,709,351	10,625,893	5,329,037

The weighted average applicable tax rate for the Group and the Company was 42.76% and 4.03%, respectively (2018 : 7.16% and 19.64%, respectively).

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24 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares in issue and paid-up during the year.

Basic earnings (loss) per share for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) for the year attributable to ordinary shareholders of the Company (Baht)	(466,854,385)	232,042,768	(274,285,704)	21,802,575
Weighted average number of ordinary shares outstanding (shares)	2,368,848,723	615,552,592	2,368,848,723	615,552,592
Basic earnings (loss) per share (Baht per share)	(0.20)	0.38	(0.12)	0.04

As mentioned in Note 25, warrants which can be converted of 70 million units are instruments that are convertible into ordinary shares as to increase the number of ordinary shares for calculating of diluted earnings per share. Adjustments on finance costs relating to the warrants should be made to net profit. However, for the year ended 31 December 2019, the assumed conversion of the shares has resulted in antidilutive as shown in Note 25. Therefore, no diluted earnings (loss) per share (2018: Nil) has been presented in the consolidated and separate financial statements.

25 Share-based payment

On 5 November 2019, the Company issued and offered grants of warrants to the executives and employees of: the major shareholder of the parent, the parent, and its subsidiaries; and the Company and its subsidiaries. In totalling 70 million units were issued. The term of the warrants is 2 years from the issued date and no offered price. The criteria of the right to exercise the warrants is in accordance with the Company policy. The exercise ratio and price on the issued date are as follows:

No.	Exercise price Baht/unit	Number of issued warrants units*	Exercise Ratio unit/share	Exercise period	
				Start	End
1	5.20	30%	1:1	28 February 2020	5 November 2021
2	5.46	30%	1:1	29 May 2020	5 November 2021
3	5.72	40%	1:1	30 November 2020	5 November 2021

* Number of exercised warrants of the total allocated units.

The fair value of the warrant is measured by a Black-Scholes Model with the following financial assumptions:

	No 1	No 2	No 3
Fair value of the warrant at the grant date	0.92	0.82	0.72
Share price at the grant date	5.20	5.20	5.20
Exercise price	5.20	5.46	5.72
Expected volatility	29.7%	29.7%	29.7%
The expected period, that shareholders will completely use their right on warrant	5 Novemebr 2021	5 Novemebr 2021	5 Novemebr 2021
Risk free interest rate	1.36%	1.36%	1.36%

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

25 Share-based payment (Cont'd)

Movements of capital reserve for share-based payment for the years ended 31 December are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
At 1 January	-	-
Increase during the year	4,733,108	-
At 31 December	4,733,108	-

26 Related-party transactions

26.1 Parent entities

The Group is controlled by S Hotels and Resorts Inter Co., Ltd., incorporated in Thailand, and S Hotels and Resorts (SG) Pte. Ltd., incorporated in Singapore, which hold 60% interest in the Group, the remaining interests are held by others. The Group's ultimate parent is Boon Rawd Brewery Co., Ltd. (incorporated in Thailand).

The relationship with the related parties are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries as at 31 December 2019 are listed below.

Entities' name	Country/Nationality	Relationship
Mr. Santi Bhirombhakdi	Thai	Shareholder and Director of shareholder
Boon Rawd Brewery Co., Ltd.	Thailand	Ultimate parent
Singha Corporation Co., Ltd.	Thailand	Director is shareholder
Singha Property Management Co., Ltd.	Thailand	Shareholder
Singha Property Management (Singapore) Pte. Ltd.	Singapore	Shareholder
Damerius Pte. Ltd.	Singapore	Shareholder and Director is shareholder
Singha Estate Public Co., Ltd.	Thailand	Parent
S Hotels and Resorts (UK) Ltd.	United Kingdom	Subsidiary
S Hotels and Resorts (HK) Ltd.	Hongkong	Subsidiary
S Hotels and Resorts Inter Co., Ltd.	Thailand	Shareholder
S Hotels and Resorts (SG) Pte. Ltd.	Singapore	Shareholder
S Hotels and Resorts (SC) Pte. Ltd.	Republic of Seychelles	Subsidiary
S Hotel Management Co., Ltd.	Thailand	Subsidiary
S Hotel Phi Phi Island Co., Ltd.	Thailand	Subsidiary
Dream Islands Development 2 Pvt. Ltd.	Republic of Maldives	Subsidiary
Dream Islands Development 3 Pvt. Ltd.	Republic of Maldives	Subsidiary
Prime Locations Management 2 Ltd.	Republic of Seychelles	Subsidiary
Prime Locations Management 3 Ltd.	Republic of Seychelles	Subsidiary
S Hotels and Resorts APAC (SG) Pte. Ltd.	Singapore	Subsidiary
APAC Holding, LLC	Cayman Islands	Subsidiary
Madison Offshore Holdings I, LLC	Cayman Islands	Subsidiary
OTRG APAC Holdings, LLC	Cayman Islands	Subsidiary
SHR Hotels USA, Inc	United State of America	Subsidiary
SHR Global Holdings LLC	United State of America	Subsidiary
APAC Real Estate Holdings LLC	United State of America	Subsidiary
LBR LLC	United State of America	Subsidiary
AREH II LLC	United State of America	Subsidiary
OCL US LLC	United State of America	Subsidiary
OHL US LLC	United State of America	Subsidiary
AREH III LLC	United State of America	Subsidiary
OH Pte Limited	Republic of Fiji	Subsidiary
OHH (Fiji) Pte Limited	Republic of Fiji	Subsidiary
Hillview Pte Limited	Republic of Fiji	Subsidiary

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

26 Related-party transactions (Cont'd)**26.1 Parent entities (Cont'd)**

The relationship with the related parties are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries as at 31 December 2019 are listed below. (Cont'd)

Entities' name	Country/Nationality	Relationship
Saltlake Resorts Limited	Republic of Mauritius	Subsidiary
O.K.M. Private Limited	Republic of Maldives	Subsidiary
Castleton Hotels & Resorts Pte. Ltd.	Singapore	Subsidiary
Medison Offshore (Thailand) Co., Ltd.	Thailand	Subsidiary
Na Nimmann Co., Ltd.	Thailand	Subsidiary
Laguna Beach Development Co., Ltd.	Thailand	Subsidiary
Laguna Phuket Club Co., Ltd.	Thailand	Subsidiary
Laguna Paradise Co., Ltd.	Thailand	Subsidiary
Laguna Service Co., Ltd.	Thailand	Associate
FS JV CO LIMITED	United Kingdom	Joint venture
FS JV LICENSE LIMITED	United Kingdom	Joint venture
SW Development Holding Co., Ltd.	Republic of Seychelles	Joint venture
Jupiter Hotels Limited	United Kingdom	Joint venture
Santiburi Samui Contry Club Co., Ltd.	Thailand	Director is shareholder
Bophut Property and Resort Co., Ltd.	Thailand	Director is shareholder
Singha Trend Co., Ltd.	Thailand	Director is shareholder
Singha Park Chiang Rai Co., Ltd.	Thailand	Director is shareholder
Babylon Property Co., Ltd.	Thailand	Director is shareholder
CTG 2002 Co., Ltd.	Thailand	Director is shareholder
Boon Rawd Trading Co., Ltd.	Thailand	Director is shareholder
Beer Singha Co., Ltd.	Thailand	Director is shareholder
Prime Locations Management Ltd.	Republic of Seychelles	The Group's ultimate parent is shareholder
Dream Islands Development Pvt. Ltd.	Republic of Maldives	The Group's ultimate parent is shareholder
S Services (Maldives) Pvt. Ltd. (Former named "S Hotels and Resort Maldives) Pte. Ltd.")	Republic of Maldives	Director is shareholder
Max Future Co., Ltd.	Thailand	Director is shareholder
Qtech Products Co., Ltd.	Thailand	Director is shareholder
S Prime Growth Leasehold Real Estate Investment Trust	Thailand	The Group's parent is shareholder
S Commercials (Singapore) Pte. Ltd.	Singapore	The Group's parent is shareholder
S KLAS Management Co., Ltd.	Thailand	The Group's parent is shareholder
S REIT Management Co., Ltd.	Thailand	The Group's parent is shareholder
Singha Property Development Co., Ltd.	Thailand	The Group's parent is shareholder

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

26 Related-party transactions (Cont'd)

26.2 Pricing policy for transactions between the Company and related parties are summarised below:

- Management and other services income are based on actual cost plus a contribution margin not more than 5% or agreed price.
- Purchase of inventories is based on an agreed price comparable to third parties' rates.
- Rental is based on agreed rate comparable to third parties' rates.
- Project management expense is based on an agreed rate in accordance with the co-venture agreement.
- Consulting fee is based on an agreed rate for the contracts.

26.3 The following significant transactions were carried out with related parties:

a) Sales/Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Purchases of goods and services				
Other related parties	159,440	856,738,898	40,000	-
Rental and services income				
Subsidiaries	-	-	1,483	2,136
Associate	91,102	-	-	-
Other related parties	26,954,381	2,284,593	684	-
Management income				
Subsidiaries	-	-	24,594,070	-
Interest income				
Subsidiaries	-	-	21,957,872	34,888,187
Joint ventures	112,023,021	119,686,973	-	-
Other income				
Other related parties	61,409,507	96,972,812	-	-
Interest expense				
Subsidiaries	-	-	416,438	-
Other related parties	172,838,982	117,320,573	172,838,982	112,430,110
Management fee				
Subsidiaries	-	-	-	77,000,000
Associate	4,032,556	-	-	-
Other related parties	36,606,187	176,923,677	8,634,788	104,143,798
Rental and services expense				
Subsidiaries	-	-	462,802	152,707
Associate	25,301,669	16,466,036	-	-
Joint ventures	56,345	-	56,345	-
Other related parties	17,568,693	4,357,672	6,453,597	-
Share-based payment transactions				
Other related parties	5,259,230	-	2,988,072	-

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

26 Related-party transactions (Cont'd)

26.3 The following significant transactions were carried out with related parties: (Cont'd)

b) Outstanding balances arising from sales/purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Amounts due from related parties				
Trade accounts receivable				
- Other related parties	986,819	-	-	-
	986,819	-	-	-
Other receivables				
- Subsidiaries	-	-	8,121,213	2,136
- Other related parties	8,492,885	113,090,754	8,453,307	-
	8,492,885	113,090,754	16,574,520	2,136
Interest receivables				
- Subsidiaries	-	-	8,676,299	22,689,823
- Joint ventures	292,004,611	189,052,652	-	-
	292,004,611	189,052,652	8,676,299	22,689,823
Advances to				
- Subsidiaries	-	-	286,448	24,113
- Other related parties	6,171,001	44,040,417	74,121	2,717
	6,171,001	44,040,417	360,569	26,830
Total amounts due from related parties	307,655,316	346,183,823	25,611,388	22,718,789
Amounts due to related parties				
Trade accounts payable				
- Other related parties	4,400,431	15,225,127	-	-
	4,400,431	15,225,127	-	-
Other payables				
- Subsidiaries	-	-	159,410	-
- Associate	1,806,344	3,243,417	-	-
- Joint ventures	30	-	-	-
- Other related parties	188,479,684	239,264,857	8,560,360	111,433,865
	190,286,058	242,508,274	8,719,770	111,433,865
Interest payables				
- Other related parties	-	36,981,247	-	33,438,047
	-	36,981,247	-	33,438,047
Advance from				
- Other related parties	1,196,052	110,794,475	293,959	-
	1,196,052	110,794,475	293,959	-
Unearned revenue				
- Other related parties	29,102,408	-	-	-
	29,102,408	-	-	-
Total amounts due to related parties	224,984,949	405,509,123	9,013,729	144,871,912

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

26 Related-party transactions (Cont'd)

26.3 The following significant transactions were carried out with related parties: (Cont'd)

c) Loans to related parties

	Separate financial statements			
	Interest rate (% per annum)		Amount (Baht)	
	2019	2018	2019	2018
<u>Short-term loan</u>				
S Hotel Phi Phi Island Co., Ltd.	-	3.75	-	415,250,000
Total			-	415,250,000

Movement of short-term loan to a related party for the years ended 31 December is as follow:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	-	-	415,250,000	-
Addition during the year	-	-	21,900,000	5,095,830,000
Repayment	-	-	(21,900,000)	(4,680,580,000)
Reclassification	-	-	(415,250,000)	-
At 31 December	-	-	-	415,250,000

	Consolidated financial statements			
	Interest rate (% per annum)		Amount (Baht)	
	2019	2018	2019	2018
<u>Long-term loans</u>				
FS JV CO LIMITED	LIBOR plus 6.50	LIBOR plus 6.50	1,481,867,973	1,539,797,819
FS JV LICENSE LIMITED	8.00	8.00	19,760,850	20,533,350
Total			1,501,628,823	1,560,331,169

	Separate financial statements			
	Interest rate (% per annum)		Amount (Baht)	
	2019	2018	2019	2018
<u>Long-term loans</u>				
S Hotel Phi Phi Island Co., Ltd.	3.75	-	299,250,000	-
S Hotels and Resorts (SC) Pte. Ltd.	6.00	-	639,715,871	-
Total			938,965,871	-

As at 31 December 2019, the Company had long-term loans to subsidiaries represented loan of US Dollar 21.34 million and Baht 299.25 million (31 December 2018: Nil). The repayment term is at call.

As at 31 December 2019, long-term loans to joint ventures represent GBP loan of GBP 37.99 million (2018 : GBP 37.99 million). The loans are repayable in 2021 and 2022.

The fair value of long-term loans approximately equals their carrying amount, as the impact of discount is not significant.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

26 Related-party transactions (Cont'd)

26.3 The following significant transactions were carried out with related parties: (Cont'd)

c) Loans to related parties (Cont'd)

Movement of long-term loans to related parties for the years ended 31 December is as follow:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	1,560,331,169	1,671,269,107	-	-
Addition	-	-	650,000,000	-
Repayment	-	-	(116,000,000)	-
Reclassification	-	-	415,250,000	-
Unrealised loss on exchange rate	-	-	(10,284,129)	-
Currency translation differences	(58,702,346)	(110,937,938)	-	-
At 31 December	1,501,628,823	1,560,331,169	938,965,871	-

d) Borrowings from related parties

	Consolidated financial statements			
	Interest rate (% per annum)		Amount (Baht)	
	2019	2018	2019	2018
Short-term borrowings				
S Hotels and Resorts Inter Co., Ltd.	-	3.75 - 3.80	-	5,295,830,000
Total			-	5,295,830,000

Movement of short-term borrowings from related parties for the years ended 31 December is as follow:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	5,295,830,000	553,250,000	5,295,830,000	-
Additions during the year	62,000,000	5,365,830,000	162,000,000	5,365,830,000
Repayments	(5,357,830,000)	(623,250,000)	(5,457,830,000)	(70,000,000)
At 31 December	-	5,295,830,000	-	5,295,830,000

e) Management remuneration

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Salaries and other short-term employee benefits	90,235,801	120,000	38,202,540	120,000
Other long-term benefits	13,474,933	-	13,322,163	-
Share-based payments	3,394,369	-	2,528,220	-
Total	107,105,103	120,000	54,052,923	120,000

During the year ended 31 December 2018, the key management of the Group was under the parent company named S Hotels and Resorts Inter Co., Ltd. After the Group was restructured, the partial of the key management has transferred to the Group since 1 April 2019.

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

27 Commitment

a) Capital expenditure commitments

Capital expenditure commitments but not recognised in the financial statements is as follow:

	Consolidated financial statements			
	2019		2018	
	Million Baht	Million US Dollar	Million Baht	Million US Dollar
Capital expenditure commitments	46.36	16.20	5.02	93.43

b) Operating lease commitments

The Group leases land, office areas, vehicles and other services under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated financial statements (Original currency)									
	2019					2018				
	Million Baht	Million US Dollar	Million Mauritian Rupee	Million AU Dollar	Million Pound	Million Baht	Million US Dollar	Million Mauritian Rupee	Million AU Dollar	Million Pound
Within 1 year	15.91	2.17	3.15	0.01	0.01	15.82	2.19	3.15	-	-
Later than 1 year but not later than 5 years	15.74	8.67	7.88	-	-	4.48	8.77	11.04	-	-
Later than 5 years	9.19	81.40	-	-	-	-	84.92	-	-	-
Total	40.84	92.24	11.03	0.01	0.01	20.30	95.88	14.19	-	-

	Separate financial statements	
	2019	2018
	Million Baht	Million Baht
Not later than 1 year	6.00	-
Later than 1 year but not later than 5 years	6.13	-
Later than 5 years	-	-
Total	12.13	-

c) Bank guarantee

As at 31 December 2019, the Group had outstanding bank guarantees for the normal course of business, issued by banks of Baht 5.03 million and Fijian Dollar 0.28 million (2018 : Baht 7.02 million and Fijian Dollar 0.28 million).

d) Interest rate swap contracts

As at 31 December 2019, the Group had interest rate swap contract with a financial institution to manage the exposure of fluctuations in interest rate for the borrowing of US Dollar 50 million by converting floating interest rate of 3-month USD LIBOR plus margin to fixed interest rate, the contract will be expired on 30 June 2022. The Group will recognise the impact of such contract at the maturity date. The fair value of the open interest rate swap contracts for borrowings as at 31 December 2019 is unfavorable amounting to Baht 5 million (2018: Nil).

28 Events occurring after the reporting date

On 19 February 2020, S Hotels and Resorts (SC) Co., Ltd. (SHC) transferred 50% shareholding of Prime Locations Management 3 Ltd. (PLM3) (a subsidiary of SHC) to Wai Eco World Developer Pte. Ltd. according to a Joint Venture Agreement. The agreement resulted in the change in shareholding percentage in PLM3 of SHC and Wai Eco World Developer Pte. Ltd. to 50% and 50%, respectively. SHC received consideration in cash amounting to US Dollar 16.2 million.

REMUNERATION OF AUDITORS

AUDIT FEE

For the financial year 2019 ended 31 December 2019 (1 January – 31 December 2019)

Unit : Thai Baht

Company	Audit Fee for PWC	Audit Fee for other auditing firms	Total Fee (by company)
SHR	6,247,710	-	6,247,710
SHR's Subsidiaries	5,715,628	986,359	6,701,987
Total Audit Fee (by auditing firm)	11,963,338	986,359	12,949,697

NON-AUDIT SERVICE FEES

For the financial year 2019 ended 31 December 2019 (1 January – 31 December 2019)

Unit : Thai Baht

Company	Non-audit Service Fees for PWC	Non-audit Service Fees for other auditing firms	Total Fee (by company)
SHR	8,575,200	-	8,575,200
SHR's Subsidiaries	327,931	280,000	607,931
Total Non-Audit Service Fees (by auditing firm)	8,903,131	280,000	9,183,131

Note: Non-audit service fees for the financial year 2019 ended 31 December 2019 (1 January – 31 December 2019) were relating to risk management consultation fees, accounting service fees, etc.

MANAGEMENT BIOGRAPHY

MR. SOMPONG TANTAPART



INDEPENDENT DIRECTOR
CHAIRMAN OF THE BOARD OF DIRECTORS
CHAIRMAN OF THE AUDIT COMMITTEE

Age : 62 Years Old

First Appointment Date : November 30, 2018

Education

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

Director Training Courses By Thai Institute of Directors Association (IOD)

- Advanced Audit Committee Program (AACP 33/2019)
- Director Certification Program (DCP 210/2015)

Other Trainings

- Senior Governing Executive, Class 61,
Damrong Rajanubhab Office of the Permanent
Secretary for Interior
- Financial Executive Development Program (FINEX),
Class 14, the Thai Institute of Banking and Finance
Association

Work Experience

2017 - 2018 Vice President and Chairman of the
Executive Committee, Dhanarak Asset
Development Company Limited

2016 - 2018 Principal Advisor on Strategic Tax
Administration (Finance and Banking),
The Revenue Department

2014 - 2018 Director,
Erawan Hotel Public Company Limited

2014 - 2017 Director and Member of the Executive
Committee, Dhanarak Asset Development
Company Limited

2014 - 2015 Deputy Director-General,
The Revenue Department

Other current positions

Listed Company -

Public Company

- Independent Director, Member of the Audit Committee
and Member of the Nomination and Remuneration
Committee, Central Retail Corporation Public Company
Limited

Limited Company

Organization/ Institution -

State Enterprise -

Securities Holding in S Hotels and Resorts as of December 30, 2019

Ordinary shares (SHR) -

Warrants (SHR-W1) 1,500,000 units

Family Relation with Other Directors

Lawsuits in the 10 Preceding Years

MR. PRAISUN WONGSMITH



INDEPENDENT DIRECTOR CHAIRMAN OF THE RISK MANAGEMENT COMMITTEE* MEMBER OF THE AUDIT COMMITTEE

Age : 60 Years Old

First Appointment Date : November 30, 2018

Education

- Master of Economics/Finance, Oklahoma State University, USA
- Bachelor of Economics, Oklahoma State University, USA

Director Training Courses by Thai Institute of Directors Association (IOD)

- Digital Transformation – A Must of all Companies (November 6, 2018)
- IT Governance and Cyber Resilience Program (ITG 8/2018)
- Ethical Leadership Program (ELP 10/2017)
- Advanced Audit Committee Program (AACP 24/2016)
- Boards that Make a Difference (BMD 1/2016)
- Role of the Chairman Program (RCP 37/2015)
- Director Certification Program (DCP 92/2007)
- Director Accreditation Program (DAP 11/2004)

Other Trainings

- Advanced Security Management Program, Class 5, The National Defence College Association of Thailand (NDCAT)
- Capital Market Academy Leader Program, Class 4, Capital Market Academy
- The Leadership Grid, Grid Teamwork Limited

Work Experience

2017 – 2019	Independent Director, Industrial Estate Authority of Thailand
2017 – 2019	Independent Director, Islamic Bank Asset Management Limited

2016	Independent Director, CAT Telecom Public Company Limited
2016 - 2017	Advisor to the Ministry of Industry, Ministry of Industry
2015 - 2016	Advisor to the Minister, Ministry of Information and Communication Technology
2014 - 2015	Independent Director and Audit Committee, Thantawan Industry Public Company Limited
2012 - 2016	Managing Director, SCMB Company Limited

Other Current Positions

Listed Company

- Independent Director,
TMB Bank Public Company Limited
- Chairman of the Board and Independent Director,
Thantawan Industry Public Company Limited

Public Company

- Independent Director and Chairman of the Audit
Committee, Jakpisan Estate Public Company Limited

Limited Company

- Director, P Advisory Company Limited
- Director, PW Consultants Company Limited

Organization/ Institution

State Enterprise

Securities Holding in S Hotels and Resorts as of December 30, 2019

Ordinary shares (SHR)	-
Warrants (SHR-W1)	1,000,000 units

Family Relation with Other Directors

Lawsuits in the 10 Preceding Years

* Mr.Praisun Wongsmit has been appointed by the BOD as Chairman of the Risk Management Committee on February 26, 2020

MR. JUKR BOON-LONG
**INDEPENDENT DIRECTOR
MEMBER OF THE AUDIT COMMITTEE**

Age : 62 Years Old

First Appointment Date : November 30, 2018

Education

- Master of Arts (International Politics and Economics), University of Detroit, USA
- Bachelor of Law, Ramkhamhaeng University

**Director Training Courses by
Thai Institute of Directors Association (IOD)**

- Director Certification Program (DCP 271/2019)

Other Trainings

- Capital Market Academy Leader Program, Class 29, Capital Market Academy
- Diploma, National Defence College, The National Defence Course Class 52
- The Programme for Senior Executives on Justice Administration Class 16

Work Experience

2017 - 2018	Ambassador of Royal Thai Embassy in Yangon, The Republic of Union of Myanmar
2014 - 2016	Ambassador of Royal Thai Embassy in Oslo, Norway
2012 - 2014	Ambassador of Royal Thai Embassy in Tel Aviv, Israel

Other Current Positions
Listed Company

- Independent Director and Member of the Audit Committee, Glow Energy Public Company Limited
- Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee, P.C.S. Machine Group Holding Public Company
- Independent Director, Member of the Audit Committee and Member of the Corporate Governance Committee, Siam Makro Public Company Limited

Public Company

-

Limited Company

- Director, Glow Company Limited
- Director, Glow SPP 11 Company Limited
- Director, Glow SPP 2 Company Limited
- Director, Glow SPP 3 Company Limited
- Director, Glow IPP Company Limited
- Director, Glow IPP 2 Holding Company Limited
- Director, Ruan Romyen Company Limited

Organization/ Institution

-

State Enterprise

-

**Securities Holding in S Hotels and Resorts as of
December 30, 2019**

Ordinary shares (SHR)	-
Warrants (SHR-W1)	1,000,000 units

Family Relation with Other Directors

-

Lawsuits in the 10 Preceding Years

-

MR. CHAYANIN DEBHAKAM, D.B.A.**DIRECTOR**

Age : 50 Years Old

First Appointment Date : November 10, 2015
(Re-elected on April 30, 2018)**Education**

- Doctorate degree in Business Administration, Rattana Bundit University
- Master of Management, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Biomedical Science, Kingston University, United Kingdom

Director Training Courses by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP 191/2014)

Other Trainings

- Securities & Exchange Commission Capital Markets Leader Program: Building Competitiveness of Nation and Thai Capital Markets, the Securities and Exchange Commission (SEC)
- Advanced Certificate Course in Politic and Governance in Democratic Systems for Executive 12
- Advanced Certificate Course in Judicial Training for Executive 15

Work Experience

- Director, CTG 2002 Company Limited
- Director, Boonrawd Brewery Company Limited
- Director, C.V.S. Syndicate Company Limited
- Director, Leo Links Company Limited
- Director, Fine Food Capital Company Limited

Other Current Positions**Listed Company**

- Director, Chairman of the Nomination and Remuneration Committee, Member of the Corporate Governance and Sustainable Development Committee and Chairman of the Executive Committee, Singha Estate Public Company Limited

Public Company**Limited Company**

- Director of 35 subsidiaries and/or joint ventures of the company
- Director, Singha Property Management Company Limited
- Director, Park Industry Company Limited
- Director, Mahasan Enterprise Company Limited
- Director, Angthong Power Company Limited
- Director, Siam Parboiled Rice Company Limited
- Director, Khao Pun Dee Company Limited
- Director, Absolute Power P Company Limited
- Director, Solar Innovation Company Limited
- Director, G-Force Company Limited
- Director, Bangkok 12 Company Limited
- Director, Kasem Wanarom Company Limited
- Director and Deputy Managing Director, Singha Corporation Company Limited

Organization/ Institution**State Enterprise****Securities Holding in S Hotels and Resorts as of December 30, 2019**

Ordinary shares (SHR)	40,020 shares, 0.0011 % of total paid-up capital
Warrants (SHR-W1)	1,000,000 units

Family Relation with Other Director**Lawsuits in the 10 Preceding Years**

MR. NARIS CHEYKLIN
DIRECTOR
CHAIRMAN OF THE EXECUTIVE COMMITTEE

Age : 58 Years Old

First Appointment Date : November 10, 2015
(Re-elected on April 26, 2019)**Education**

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

Director Training Courses by
Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP 9/2002)

Other Trainings

- Institute of Metropolitan Development (Class 4/2015)
- Advanced Security Management Program (Class 4/2013)
- Capital Market Academy Leader Program (Class 2/2006)
- Organizational Risk Management Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University (Class 2/2004)
- Corporate Financial Strategies, Kellogg School of Management, Chicago, U.S.A.
- Executive Development Program in Real Estate Management, Thammasat University (1993)
- Computer Audit Program, Arthur Andersen
- General Audit Program, SGV-Na Thalang, Bangkok and SGV Manila, Philippines

Work Experience

2015 - 2017	Director, S 36 Property Company Limited
2015 - 2017	Chairman, Nirvana Development Company Limited

2014 - 2017	Director, Thai Setakij Insurance Public Company Limited
2012 - 2013	President of Thai Shopping Center Association
1998 - 2013	Senior Executive Vice President, Central Pattana Public Company Limited

Other Current Positions**Listed Company**

- Director, Member of the Risk Management Committee, Member of the Corporate Governance and Sustainable Development Committee, Member of the Executive Committee, and Chief Executive Officer, Singha Estate Public Company Limited
- Director, Chairman of the Executive Committee and Member of the Nomination and Remuneration Committee, Nirvana Daii Public Company Limited

Public Company**Limited Company**

- Chairman, Nirvana River Company Limited
- Director of 51 subsidiaries and/or joint ventures of the company
- Director, Siratara Company Limited
- Director, Interaccc Company Limited

Organization/ Institution**State Enterprise**
Securities Holding in S Hotels and Resorts as of
December 30, 2019

Ordinary shares (SHR)	1,060,060 shares, 0.0295 % of total paid-up capital
Warrants (SHR-W1)	1,000,000 units

Family Relation with Other Directors**Lawsuits in the 10 Preceding Years**

MR. DIRK ANDRÉ L. DE CUYPER**DIRECTOR****MEMBER OF THE EXECUTIVE COMMITTEE****MEMBER OF THE RISK MANAGEMENT COMMITTEE*****CHIEF EXECUTIVE OFFICER**

Age : 54 Years Old

First Appointment Date : November 14, 2018

Education

- Bachelor of Hotel Management, Brussels Erasmus University, Belgium

Director Training Courses by**Thai Institute of Directors Association (IOD)**

- Director Certification Program (English Program) (DCP 247/2017)

Other Trainings

- Executive Leadership - Cornell, IMD and LBS

Work Experience

2012 - 2015	Regional General Manager Thailand & General Manager Millennium Hilton Bangkok, Hilton Worldwide
2012	Senior Director – Openings, Hilton Worldwide, Regional Office Shanghai, PR China
2009 - 2012	General Manager, Waldorf Astoria Shanghai on the Bund, PR China

Other Current Positions**Listed Company**

- Member of the Executive Committee, Singha Estate Public Company Limited

Public Company

-

Limited Company

- Director of 51 subsidiaries and/or joint ventures of the company

Organization/ Institution

-

State Enterprise

-

Securities Holding in S Hotels and Resorts as of December 30, 2019**Ordinary shares (SHR)**

-

Warrants (SHR-W1)

1,250,000 Units

Family Relation with Other Directors

-

Lawsuits in the 10 Preceding Years

-

* Mr. Dirk André L. De Cuyper has been appointed by the BOD as Member of the Risk Management Committee on February 26, 2020

MR. THITI THONGBENJAMAS**DIRECTOR**

(Resigned from Director on December 1, 2019)

CHIEF OPERATING OFFICER CROSSROADS PROJECT

Age : 47 Years Old

First Appointment Date : February 28, 2018

(Re-elected on April 26, 2019)

Education

- Bachelor of Arts, University of California, Berkeley, U.S.A.
- Executive Master of Business Administration, San Francisco State University (Concurrent), U.S.A.

Director Training Courses by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP 251/2018)
- Boardroom Success through Financing & Investment (BFI 4/2561)

Other Trainings

-

Work Experience

2017 - 2018	Director and Member of the Executive Committee, Nirvana Daii Public Company Limited
2013 - 2017	Director, MH&R Asia (ROH) Limited
2009 - 2017	Director, MH&R Man (Thailand) Limited

2009 - 2017	Vice President, Chief Finance & Controlling Officer, Asia Pacific & China Mövenpick Hotels & Resorts
2007 - 2017	Director, Siam Resort Company Limited

Other Current Positions**Listed Company**

- Member of the Executive Committee, Singha Estate Public Company Limited

Public Company

-

Limited Company

- Director of 31 subsidiaries and/or joint ventures of the company
- Director, Elephant Wings Company Limited

Organization/ Institution

-

State Enterprise

-

Securities Holding in S Hotels and Resorts as of December 30, 2019

Ordinary shares (SHR)	-
Warrants (SHR-W1)	1,000,000 Units

Family Relation with Other Directors

-

Lawsuits in the 10 Preceding Years

-

MR. TERACHART NUMANIT**DIRECTOR**

Age : 63 Years Old

First Appointment Date : January 10, 2019
(Re-elected on April 26, 2019)

Education

- Bachelor Degree in Civil Engineering,
Polytechnic University, New York, U.S.A.

**Director Training Courses by Thai Institute of
Directors Association (IOD)** -

Work Experience

2017	Director and Member of the Executive Committee, Nirvana Daii Public Company Limited Director of 5 subsidiaries and/or joint ventures of Nirvana Daii Public Company Limited
2014 - 2017	Director of 8 subsidiaries and/or joint ventures of the Company
2003 - 2014	Executive Vice President, Central Pattana Public Company Limited

Other Current Positions**Listed Company**

- Member of the Executive Committee and Chief Design
and Construction Officer, Singha Estate Public
Company Limited

Public Company	-
Limited Company	-
Organization/ Institution	-
State Enterprise	-

**Securities Holding in S Hotels and Resorts as of
December 30, 2019**

Ordinary shares (SHR)	100,000 shares, 0.0028 % of total paid-up capital
Warrants (SHR-W1)	1,500,000 units

Family Relation with Other Directors -

Lawsuits in the 10 Preceding Years -

MRS. THITIMA RUNGKWANSIROJ

DIRECTOR
MEMBER OF THE EXECUTIVE COMMITTEE
MEMBER OF THE RISK MANAGEMENT COMMITTEE*

Age : 58 Years

First Appointment Date : June 29, 2018

Education

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

Director Training Courses by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP 131/2015)
- Director Accreditation Program (DAP 65/2007)

Other Trainings

- Financial Statement Analysis, Faculty of Commerce and Accountancy, Chulalongkorn University
- Withholding Tax and Tax Deduction, GTO Training, Co.Ltd.
- Advanced Management Program, INSEAD Business School, Singapore
- Advance Derivative and Financial Risk Management, Hong Kong
- CFO Becoming a Strategic Partner, Singapore
- CFO Regional Summit Forum, Singapore

Work Experience

2017 - 2018 President and Director, Sukhumvit Asset Management Company Limited

2014 - 2016 Executive Director, KPMG Phoomchai Advisory (Thailand) Limited

2010 - 2013 Group Chief Financial Officer, Thoresen Thai Agencies Public Company Limited

2007 - 2010 Head of Equity Investment, Siam Commercial Bank Public Company Limited

2003 - 2007 Group Chief Financial Officer, GMM Grammy Public Company Limited

Other Current Positions

Listed Company

- Member of the Executive Committee, Chief Financial Officer and Company Secretary, Singha Estate Public Company Limited
- Director and Member of the Executive Committee, Nirvana Daii Public Company Limited

Public Company

-

Limited Company

- Director of 7 subsidiaries and/or joint ventures of the Company

Organization/ Institution

-

State Enterprise

-

Securities Holding in S Hotels and Resorts as of December 30, 2019

Ordinary shares (SHR) -

Warrants (SHR-W1) 1,500,000 Units

Family Relation with Other Directors

-

Lawsuits in the 10 Preceding Years

-

* Mrs. Thitima Rungkwansiroj has been appointed by the BOD as Member of the Risk Management Committee on February 26, 2020

MR. CHAIRATH SIVAPORNPAN

**MEMBER OF THE EXECUTIVE COMMITTEE
CHIEF FINANCIAL OFFICER
COMPANY SECRETARY**

Age : 37 Years

Education

- Master of Business Administration – Finance, University of Illinois – Urbana Champaign, USA
- Bachelor of Economics, Thammasat University

Director Training Courses by Thai Institute of Directors Association (IOD)

- Company Secretary Program (CSP 101/2019)

Other Trainings

- Financial Advisor Refresher Course 2019 by Association of Thai Securities Companies
- RE-CU CEO Class 5, RE-CU Management Unit
- Strategic CFO Class 6/2018, The Stock Exchange of Thailand
- Certificate in Investor Relations 2016, Thai Investor Relations Club
- Thai Intelligent Investors Program (TIIP 9) by Thai Investors Association

Work Experience

- 2011 – 2018 First Vice President, Capital Market and Investor Relations, B.Grimm Power Public Company Limited
- 2008 – 2010 Assistant Vice President, Investment Banking, Kasikorn Securities Public Company Limited
- 2007 – 2008 Relationship Manager, Standard Chartered Bank (Thai)

Other Current Positions

Listed Company	-
Public Company	-
Limited Company	-
Organization/ Institution	-
State Enterprise	-

Securities Holding in S Hotels and Resorts as of December 30, 2019

Ordinary shares (SHR)	-
Warrants (SHR-W1)	1,208,650 units

Family Relation with Other Directors -

Lawsuits in the 10 Preceding Years -

MS. KANKANID WICHITCHAROEN**SENIOR VICE PRESIDENT, FINANCE**

Age : 53 Years

Education

- Bachelor of Business Administration Program in Accounting, Assumption University

Director Training Courses by Thai Institute of Directors Association (IOD) -**Other Trainings**

- VAT principles of real estate development business Both in the rental and service Including the correct purchase tax average, Dharmniti Seminar and Training Company Limited
- CFO' s Orientation Course for New IPOs, Class 3, The Stock Exchange of Thailand
- Update Accounting Standard 2018, Boon Rawd Brewery Company Limited
- Advanced Excel Charts for Accounting Presentation, Dharmniti Seminar and Training Company Limited
- In-depth course, Analyzing Financial Statements, Dharmniti Seminar and Training Company Limited
- 41 issues with 7 standards for accurate accounting, Dharmniti Seminar and Training Company Limited
- COSO-2013 Internal Control System Guidelines Model, Class 1/2016, Federation of Accounting Professions

**Work Experience**

2014 – 2015	Vice President, Finance and Accounting, Boutique Group Company Limited
2010 – 2013	Head of Finance, Hilton Hotels and Conrad (Thailand)
2007 – 2010	Head of Finance and Accounting, Boutique Group Company Limited
2006	Finance and Accounting Manager, Quality Group Company Limited

Other Current Positions

Listed Company	-
Public Company	-
Limited Company	-
Organization/ Institution	-
State Enterprise	-

Securities Holding in S Hotels and Resorts as of December 30, 2019

Ordinary shares (SHR)	10,000 shares, 0.0003 % of total paid-up capital
Warrants (SHR-W1)	1,062,500 units

Family Relation with Other Directors -**Lawsuits in the 10 Preceding Years** -

MRS. KORNKAMOL TANTINAM**VICE PRESIDENT,
HUMAN RESOURCES AND BRAND CULTURE**

Age : 38 Years

Education

- First Class Honor, Bachelor of Business Administration, Hospitality and Tourism Management, Prince of Songkla University, Phuket Campus (International)

Director Training Courses by Thai Institute of Directors Association (IOD) -**Other Trainings**

- Thammasart University: Innovation Staff in Organization and Selecting Talent by Assessment Center
- Dhurakij Pundit University: Thai Labor Law Training for Human Resources Management
- SHINE: Director Development Program by Hilton International
- Certified Trainers: Welcoming Guest: A State of Mind, Accor
- Corporate Train the Trainer by Mandarin Oriental Hotel Group

**Work Experience**

2015 – 2017	Head of Human Resources, Hilton Hotels & Resorts (Thailand)
2011 – 2015	Head of Human Resources, Sofitel Bangkok Sukhumvit Hotel
2009 – 2011	Head of Human Resources, V Bangkok and V Villa Hua Hin (M Gallery by Sofitel)
2007 – 2009	Head of Human Resources, Hilton Hua Hin Resort and Spa

Other Current Positions

Listed Company	-
Public Company-Limited Company	-
Organization/ Institution	-
State Enterprise	-

Securities Holding in S Hotels and Resorts as of December 30, 2019

Ordinary shares (SHR)	-
Warrants (SHR-W1)	875,000 units

Family Relation with Other Directors -**Lawsuits in the 10 Preceding Years** -

Remark : Mrs. Kornkamol Tantinam has resigned on March 15, 2020

MS. MEG ELIZABETH EVANS**VICE PRESIDENT, GLOBAL SALES & MARKETING**

Age : 53 Years

Education

- High School, Business, Lenape High School Medford, New Jersey, USA

Director Training Courses by Thai Institute of Directors Association (IOD)

-

Other Trainings

- Basic Sales and Service
- Selling Techniques by Business Type
- Technical Sale to Chief Executive
- Technical Dynamic Sale

Work Experience

2014 – 2018	Head of Sales & Marketing, Minor Hotels (Southeast Asia)
2011 – 2014	Head of Sales & Marketing, Minor Hotels (Thailand)
2009 – 2011	Head of Marketing, Group of Jordan, Minor International
2007 – 2009	Head of Marketing, Group of The Caribbean and South America, Marriott International

Other Current Positions

Listed Company	-
Public Company	-
Limited Company	-
Organization/ Institution	-
State Enterprise	-

Securities Holding in S Hotels and Resorts as of December 30, 2019

Ordinary shares (SHR)	-
Warrants (SHR-W1)	575,000 units

Family Relation with Other Directors

-

Lawsuits in the 10 Preceding Years

-

Remark : Ms. Meg Elizabeth Evans has resigned on February 29, 2020

MS. ELINOR ELIZABETH DRENNAN SPINDEL**SENIOR DIRECTOR,
GLOBAL REVENUE AND MARKET STRATEGY**

Age : 42 Years

Education

- Bachelor's Degree, Hotel and Restaurant Management, Oxford Brookes University, United Kingdom
- Diploma, Hospitality Management, Hotel School Norwich City College, United Kingdom

Director Training Courses by Thai Institute of Directors Association (IOD) -

Other Trainings -
Work Experience

2014 – 2019 Head of Marketing, Group of The Caribbean and South America, Marriott International

Other Current Positions

Listed Company -
Public Company -
Limited Company -
Organization/ Institution -
State Enterprise -

Securities Holding in S Hotels and Resorts as of December 30, 2019

Ordinary shares (SHR) -
Warrants (SHR-W1) 575,000 units

Family Relation with Other Directors -

Lawsuits in the 10 Preceding Years -

GENERAL INFORMATION OF BUSINESS HELD BY THE COMPANY 10% UPWARDS

AS OF 31 DECEMBER 2019

Company Name And Address	Date Of Establishment	Registration Number	Nature Of Business	
SHR HOTELS USA, INC. 71 Washington Street, Reno, Nevada 89503, USA	21 September 1978	NV19881026604	Investment in other companies	
Aston Hotels Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	7 July 1994	02946395	Hotel management and investment	
OHH (Fiji) Pte Limited KPMG, Level 10, BSP Suva Central, Renwick Road, Suva, The Republic of Fiji	11 September 1998	13097	Investment in other companies	
Saltlake Resorts Ltd Allee Des Cocotiers Royal, Bel Ombre, The Republic of Mauritius	16 September 1999	C8023004	Hotel management and investment	
SHR GLOBAL HOLDINGS LLC 71 Washington Street, Reno, Nevada 89503, USA	25 March 2002	NV20021035189	Investment in other companies	
Aston Ventures Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	29 May 2003	04780953	Hotel management and investment	
The Hotelier Group Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	7 July 2004	05173209	Investment in other companies	
Aston Hotels (Sheffield) Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	6 February 2006	05698974	Hotel management and investment	
SHR GLOBAL HOLDINGS II LLC 71 Washington Street, Reno, Nevada 89503, USA	12 February 2008	NV20081038499	Investment in other companies	
Na Nimmann Co., Ltd. 63/182 Moo 5, Tambol Bohput, Amphur Koh Samui, Suratthani province	29 October 2010	0105553134241	Hotel management and investment	
Laguna Beach Development Co., Ltd. No. 323 Moo 2, Srisoonthorn Road, Tambol Cherngtalay, Amphur Thalang, Phuket province	9 February 2010	0105554019934	Investment in other companies	
Jupiter Hotels Holdings Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	3 March 2011	07550744	Investment in other companies	

	Registered Capital	Type Of Share	Number Of Paid-Up Shares (Shares)	Value Of Share	Shareholding
	25,000 USD	Ordinary	25,000	1 USD	100%
	3,000,000 GBP	Common	3,000,000	1 GBP	50%
	2 FJD	Ordinary	2	1 FJD	100%
	216,505,000 MUR	Ordinary	216,505	1,000 MUR	100%
		Member	Member contribution 119,784,667 USD	USD	100%
	1,000,000 GBP	Common	1,000,000	1 GBP	50%
	8,022,378.7 GBP	Common	80,223,787	0.1 GBP	50%
	1,000,000 GBP	Common	1,000,000	1 GBP	50%
		Ordinary		USD	100%
	118,000,000 THB	Ordinary	11,800	10,000 THB	100%
	10,000,000 THB	Ordinary Preference	600,000 400,000	10 THB 10 THB	100%
	27,100,000 GBP	Common	27,100,000	1 GBP	50%

Company Name And Address	Date Of Establishment	Registration Number	Nature Of Business	
Jupiter Hotels Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	3 March 2011	07550805	Investment in other companies and hotel management and investment	
Jupiter Hotels Midco Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	3 March 2011	07550973	Investment in other companies	
Jupiter Hotels Wetherby Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	3 March 2011	07550824	Hotel management and investment	
APAC REAL ESTATE HOLDINGS LLC 71 Washington Street, Reno, Nevada 89503, USA	13 February 2013	NV20131093144	Investment in other companies	
LBR LLC 71 Washington Street, Reno, Nevada 89503, USA	13 February 2013	NV20131093128	Investment in other companies	
Laguna Paradise Co., Ltd. No. 323 Room no.1, Moo 2, Srisoonthorn Road, Tambol Cherngtalay, Amphur Thalang, Phuket province	12 March 2013	0105556045525	Investment in other companies	
Laguna Service Co., Ltd. No. 57 Moo 4, Srisoonthorn Road, Tambol Cherngtalay, Amphur Thalang, Phuket province	6 August 2013	0105533134742	Hotel management and investment	
OC Pte Limited KPMG, Level 10, BSP Suva Central, Renwick Road, Suva, The Republic of Fiji	4 September 2013	RCBS2013L5225	Hotel management and investment	
OH Pte Limited KPMG, Level 10, BSP Suva Central, Renwick Road, Suva, The Republic of Fiji	4 September 2013	RCBS2013L5227	Investment in other companies	
OCL US LLC 71 Washington Street, Reno, Nevada 89503, USA	16 October 2013	NV20131609770	Investment in other companies	
OHL US LLC 71 Washington Street, Reno, Nevada 89503, USA	16 October 2013	NV20131609872	Investment in other companies	
Jupiter Hotels Management Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	28 February 2014	08917598	Hotel management and investment	
Hillview Global Pte Limited KPMG, Level 10, BSP Suva Central, Renwick Road, Suva, The Republic of Fiji	16 April 2014	16464	Investment in other companies	
AREH II LLC 71 Washington Street, Reno, Nevada 89503, USA	3 June 2014	NV20141368370	Investment in other companies	

	Registered Capital	Type Of Share	Number Of Paid-Up Shares (Shares)	Value Of Share	Shareholding
	35,776,000 GBP	Common Preference	35,750,000 26,000	1 GBP 1 GBP	50%
	27,100,000 GBP	Common	27,100,000	1 GBP	50%
	4,505,000 GBP	Common Preference	4,500,000 5,000	1 GBP 1 GBP	50%
		Member	Member contribution 100,935,067 USD	USD	100%
		Member	Member contribution 12,753,212 USD	USD	100%
	1,000,000 THB	Ordinary	100,000	10 THB	99.99%
	90,500,000 THB	Ordinary	905,000	100 THB	27%
	9,546,323 USD	Ordinary	9,546,323	1 USD	100%
	9,444,406 FJD	Ordinary	9,444,406	1 FJD	100%
		Member	Member contribution 11,966,753 USD	USD	100%
		Member	Member contribution 20,975,604 USD	USD	100%
	1 GBP	Common	1	1 GBP	50%
	10,000 USD	Ordinary	2	1 USD	100%
		Member	Member contribution 40,030,955 USD	USD	100%

Company Name And Address	Date Of Establishment	Registration Number	Nature Of Business	
AREH III LLC 71 Washington Street, Reno, Nevada 89503, USA	10 June 2014	NV20141385068	Investment in other companies	
O.K.M Pvt Ltd H. Orchid Maage, 02 nd Floor, Ameer Ahmed Magu, K.Male', The Republic of Maldives	24 June 2014	C-0535/2014	Hotel management and investment	
S Hotel Management Co., Ltd. 123 Suntowers Building B, 10 th Floor, Vibhavadi-Rangsit Road, Chom Phon, Chatuchak, Bangkok, Thailand 10900	15 September 2014	0105557135820	Hotel management and investment	
S Hotel Phi Phi Island Co., Ltd. 123 Suntowers Building B, 10 th Floor, Vibhavadi-Rangsit Road, Chom Phon, Chatuchak, Bangkok, Thailand 10900	24 November 2014	0105557173454	Hotel management and investment	
Castleton Hotels and Resorts Pte. Ltd. 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619	10 April 2015	201509668Z	Investment in other companies	
Laguna Phuket Club Co., Ltd. No. 323 Moo 2, Srisoonthorn Road, Tambol Chergntalay, Amphur Thalang, Phuket province	1 September 2015	0835558010269	Hotel management and investment	
FS JV Co Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	24 September 2015	09793554	Investment in other companies	
FS Mezz Co Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	24 September 2015	09793967	Investment in other companies	
FS Mid Co Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	24 September 2015	09794137	Investment in other companies	
FS Senior Co Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	24 September 2015	09794219	Investment in other companies	
S Hotels and Resorts (UK) Ltd. The Broadgate Tower, 3 rd Floor, 20 Primrose Street, London, United Kingdom, EC2A 2RS	30 September 2015	09802164	Investment in other companies	
S Hotels and Resorts (HK) Limited 18 th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong	7 October 2015	2293599	Investment in other companies	

	Registered Capital	Type Of Share	Number Of Paid-Up Shares (Shares)	Value Of Share	Shareholding
		Member	Member contribution -26,991,361 USD	USD	100%
	154,200 MVR	Member	1,000	154 MVR	100%
	1,531,122,890 THB	Ordinary	153,112,289	10 THB	99.99%
	300,000,000 THB	Ordinary	3,000,000	100 THB	99.99%
	1,734,000 USD	Ordinary	1,734,000	1 USD	100%
	373,000,000 THB	Ordinary Preference	37,137,000 163,000	10 THB 10 THB	100%
	1,000,000 GBP	Common	1,000,000	1 GBP	50%
	1,000,000 GBP	Common	1,000,000	1 GBP	50%
	1,000,000 GBP	Common	1,000,000	1 GBP	50%
	1,000,000 GBP	Common	1,000,000	1 GBP	50%
	500,000 GBP	Common	500,000	1 GBP	100%
	42,632,000 GBP	Common	42,632,000	1 GBP	100%

Company Name And Address	Date Of Establishment	Registration Number	Nature Of Business	
S Hotels and Resorts Public Company Limited 123 Suntowers Building B, 10 th Floor, Vibhavadi-Rangsit Road, Chom Phon, Chatuchak, Bangkok, Thailand 10900	10 November 2015	107562000190	Investment in other companies and/or property investments and management services or technical services and/or supporting services to associated companies or branches	
FS JV License Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	12 April 2016	10119634	Investment in other companies	
FS Mid License Limited 40 Oxford Road, High Wycombe, BUCKS HP11 2EE from 54 Portland Place, London, W1B 1DY	12 April 2016	10119891	Investment in other companies	
Hillview Pte Limited KPMG, Level 10, BSP Suva Central, Renwick Road, Suva, The Republic of Fiji	23 November 2016	12754	Hotel management and investment	
Madison Offshore Holdings I, LLC MAPLES CORPORATE SERVICES LIMITED PO Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands	23 November 2016	MC - 145	Investment in other companies	
OTRG APAC Holdings, LLC MAPLES CORPORATE SERVICES LIMITED PO Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands	23 November 2016	MC - 143	Investment in other companies	
Madison Offshore (Thailand) Ltd. 123 Suntowers Building B, 22 th Floor, Vibhavadi-Rangsit Road, Chom Phon, Chatuchak, Bangkok, Thailand 10900	20 December 2016	0105559194459	Investment in other companies	
Prime Locations Management 2 Ltd. Oliaji Trade Centre, 1 st Floor, Victoria, Mahe', the Republic of Seychelles	20 April 2017	192014	Investment in other companies	
S Hotels and Resorts (SC) Co., Ltd. Oliaji Trade Centre, 1 st Floor, Victoria, Mahe', The Republic of Seychelles	20 April 2017	193638	Investment in other companies	
Dream Islands Development 2 Private Limited #02-01, Millennia Tower, 10 Ameer Ahmed Magu, Male' 20026, Republic of Maldives	4 October 2017	C-0971/2017	Hotel management and investment	

	Registered Capital	Type Of Share	Number Of Paid-Up Shares (Shares)	Value Of Share	Shareholding
	18,318,200,000 THB	Ordinary	3,593,640,000	5 THB	99.99%
	3,264,000 GBP	Common	3,264,000	1 GBP	50%
	1 GBP	Common	1	1 GBP	50%
	14,338,979 FJD	Ordinary	14,338,979	1 FJD	100%
	No concept of share capital	Member	Member contribution 36,162,058.55 USD	No par value	100%
	No concept of share capital	Member	Member contribution 135,867,297.38 USD	No par value	100%
	500,000 THB	Ordinary	100,000	5 THB	99.99%
	500,000,000 USD	Ordinary	1	1 USD	100%
	500,000,000 USD	Ordinary	177,700,001	1 USD	100%
	92,520 MVR	Ordinary	6,000	15.42 MVR	99.98%

Company Name And Adress	Date Of Establishment	Registration Number	Nature Of Business	
APAC Holding, LLC MAPLES CORPORATE SERVICES LIMITED PO Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands	2 March 2018	MC -1084	Hotel management and investment	
S Hotels and Resorts APAC (SG) Pte. Ltd. 38 Beach Road, #29-11 South Beach Tower, Singapore 189767	20 March 2018	201809514H	Investment in other companies, Hotel management and investment	
Prime Locations Management 3 Ltd. Oliaji Trade Centre, 1 st Floor, Victoria, Male', the Republic of Seychelles	5 September 2019	214852	Investment in other companies	
Dream Islands Development 3 Private Limited #02-01, Millennia Tower, 10 Ameer Ahmed Magu, Male' 20026, Republic of Maldives	27 November 2019	C11872019	Hotel management and investment	
SW Development Holding Co., Ltd Oliaji Trade Centre, 1 st Floor, Victoria, Male', the Republic of Seychelles	27 December 2019	217669	Investment in other companies	

	Registered Capital	Type Of Share	Number Of Paid-Up Shares (Shares)	Value Of Share	Shareholding
	No concept of share capital	Member	Member contribution 235,003,573.33 USD	No par value	100%
	245,096,094 USD	Ordinary	245,096,094	1 USD	100%
	65,000,000 USD	Ordinary	8,000,000	1 USD	100%
	2,000 MVR	Ordinary	2,000	1 MVR	99.98%
	500,000,000 USD	Ordinary	2	1 USD	50%

LIST OF DIRECTORS IN SUBSIDIARIES AND JOINT VENTURES

Director	Subsidiaries																	
	S Hotels and Resorts Public Company Limited	S Hotel Phi Phi Island Co., Ltd.	S Hotel Management Co., Ltd.	S Hotels and Resorts (HK) Limited	S Hotels and Resorts (UK) Ltd.	S Hotels and Resorts (SC) Co, Ltd.	S Hotels and Resorts APAC (SG) Pte. Ltd.	Dream Island Development 2 Private Limited	Dream Island Development 3 Private Limited	Prime Locations Management 2 Ltd.	Prime Locations Management 3 Ltd.	APAC Holding, LLC	Madison Offshore Holdings I, LLC	OTRG APAC Holdings, LLC	SHR Hotels USA, Inc	SHR Global Holdings LLC	APAC Real Estate Holdings LLC	LBR LLC
1. Mr. Sompong Tantapart	★																	
2. Mr. Jukr Boon-Long	●																	
3. Mr. Praisun Wongsmith	●																	
4. Mr. Chayanin Debhakam, D.B.A	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●
5. Mr. Naris Cheyklin	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
6. Mr. Dirk André L. De Cuyper	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
7. Mr. Thiti Thongbenjamas	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
8. Mrs. Thitima Rungkwansiriroj	●	●	●															
9. Mr. Terachart Numanit	●																	
10. Mr. Russell Graham Blaik																		
11. Mr. Wan Kin Foo																		
12. Mr. Lai Foon Kuen							●											
13. Mr. Sanjay Kumar Singh																		
14. Mr. Krit Srichawla																		
15. Mr. Shane Harris																		
16. Mr. Andrew Edward Pring																		
17. Mr. Mohamed Shahdy Anwar																		
18. Mr. Kontee Worrapitayut																		
19. Mr. Shankar Chandran																		
20. Mr. Kuan Chiet																		
21. Miss Areewan Sriwichupong																		
22. Mr. Stuart David Reading																		
23. Miss Piploy Pluemarom																		
24. Mrs. Nanchalee Kecharananta																		
25. Mr. Assad Abdullatiff																		
26. Miss Nadia Sayed Khadija																		
27. Mr. Sai Shang																		
28. Mr. Khin Saw Hlaing																		
29. Mr. Zaw Win Maung																		
30. Miss Le Le Wai																		

★ A chairman ● A resigned director during the year

as of December 31, 2019

Subsidiaries										Joint Ventures									
	SHR Global Holdings II LLC																		
	Hillview Global Pte Limited																		
	OC Pte Limited																		
	OH Pte Limited																		
	OHH (Fiji) Pte Limited																		
	Hillview Pte Limited																		
	Saltlake Resorts Ltd																		
	OKM Private Limited																		
	Castleton Hotels and Resorts PTE. LTD.																		
	Madison Offshore (Thailand) Ltd.																		
	Na Nimmann Co., Ltd.																		
	Laguna Beach Development Co., Ltd.																		
	Laguna Phuket Club Co., Ltd.																		
	Laguna Paradise Co., Ltd.																		
	Laguna Service Co., Ltd.																		
	FS JV Co Limited																		
	FS Mezz Co Limited																		
	FS Mid Co Limited																		
	FS Senior Co Limited																		
	Jupiter Hotels Holdings Limited																		
	Jupiter Hotels Midco Limited																		
	Jupiter Hotels Limited																		
	Jupiter Hotels Wetherby Limited																		
	Jupiter Hotels Management Limited																		
	FS JV License Limited																		
	FS Mid License Limited																		
	The Hotelier Group Limited																		
	Aston Hotels Limited																		
	Aston Ventures Limited																		
	Aston Hotels (Sheffield) Limited																		
	SW Development Holding Co., Ltd.																		

REFERENCE FIRMS

REGISTRAR OF COMMON SHARE AND PO WARRANTS

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand

Tel: +66 (0) 2009 9000 or
SET Contact Center : +66 (0) 2009 9999
Fax: +66 (0) 2009 9991
Email: SETContactCenter@set.or.th

AUDITORS

PricewaterhouseCoopers ABAS Ltd.

By Mr. Chanchai Chaiprasit Certified Public Accountant No. 3760, or
Mr. Pisit Thangtanagul Certified Public Accountant No. 4095, or
Mr. Boonrueng Lerdwiseswit Certified Public Accountant No. 6552

15th Floor Bangkok City Tower,
179/74-80 South Sathorn Road, Khwaeng Thung Maha Mek, Khet Sathon, Bangkok 10120, Thailand
Tel.: +66 (0) 2344 1000
Fax: +66 (0) 2286 8200

INFORMATION FOR INVESTORS

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Registered Capital	: Baht 18,318,200,000
Comprising of	: 3,663,640,000 ordinary shares
Par Value	: Baht 5 per shares
Issued and Paid-up Capital	: Baht 17,968,200,000
Comprising of	: 3,593,640,000 ordinary shares
Par Value	: Baht 5 per shares

Stock Information

- Ordinary shares of the Company have been listed and traded on the Stock Exchange of Thailand since November 12, 2019 under the company name S Hotels and Resorts Public Company Limited with “SHR” as the abbreviated security name.

Annual General Meeting of Shareholders

The Board of Directors of S Hotels and Resorts Public Company Limited agreed to hold the 2020 Annual General Meeting of Shareholders (“AGM”) on April 23, 2020, at 09.00 a.m. at The PRIDE Lounge, 15th Floor, Singha Complex, No. 1788 New Petchaburi Road, Khwaeng Bang Kapi, Khet Huai Kwang, Bangkok 10310 Thailand.

Investor Relations

Address	: S Hotels and Resorts Public Company Limited 123 Sun Towers Building B, 10th Floor, Vibhavadi-Rangsit Road, Chompon, Chatuchak, Bangkok 10900 Thailand
Telephone	: +66(0) 2058 9888
Email	: ir@shotelsresorts.com
Website	: www.shotelsresorts.com

Dividend Policy:

SHR has a policy to pay dividends at a rate of about 40 percent of the annual net profit (unless there is a compelling reason against this).

2019 and 2020 Financial Calendar

Financial Calendar	2018	2019 (Tentative)
Announcement of full year financial results (prior year)	February	February
The closing date of the shareholders registration book for the rights to attend the AGM	March	March
The Annual General Meeting of the Shareholders	April	April
Announcement of first quarter financial results	May	May
Announcement of second quarter financial results	August	August
Announcement of third quarter financial results	November	November

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

Head Office : 123 Suntowers Building B, 10th Floor,
Vibhavadi-Rangsit Road, Chom Phon, Chatuchak,
Bangkok 10900

Telephone : +66 (0) 2058 9888

Corporate Website : www.shotelsresorts.com

Company Registration Number : 0107562000190

Year of Establishment : 2014

Principal Activities : Holding company that
engages in the management of hotels and resorts
and investments in international locations

Security Information : Ordinary shares

The Company have been listed and traded
on the Stock Exchange of Thailand
since 2019 under the current security
symbol of "SHR"

Share Capital

Registered Capital : Baht 18,318,200,000

Comprising of : 3,663,640,000 ordinary shares

Par value : Baht 5 per share

Issued and Paid-up Capital : Baht 17,968,200,000

Comprising of : 3,593,640,000 ordinary shares

Par value : Baht 5 per share

Contacts : Investor Relations

Telephone : +66 (0) 2058 9888

Email : ir@shotelsresorts.com

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

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