

**S HOTELS AND RESORTS PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

## **Independent Auditor's Report**

To the Shareholders and Board of Directors of S Hotels and Resorts Public Company Limited

### **My opinion**

In my opinion, the consolidated financial statements and separate financial statements present fairly, in all material respects, the consolidated financial position of S Hotels and Resorts Public Company Limited (the Company) and its subsidiaries (the Group), and the separate financial position of the Company as at 31 December 2020, 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 (TFRS).

### **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 2020;
- 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 significant accounting policies and other explanatory information.

### **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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions 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: 54.97 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 76% 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 assets and goodwill
- Valuation of investment properties

### 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.

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#### **Overall group materiality**

Baht 54.97 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.

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I agreed with the audit committee that I would report to them misstatements identified during my audit above Baht 2.7 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 matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I don't provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p><b><i>Impairment testing of assets and goodwill</i></b></p> <p>Refer to Note 9 critical accounting estimates and judgements, Note 19 property, plant and equipment, net and Note 20 goodwill.</p> <p>As at 31 December 2020, the Group recorded property, plant and equipment, net of Baht 19,288.7 million and goodwill of Baht 1,022.9 million, contributing to 71.1% and 3.8% of total assets in the consolidated financial statements.</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 was 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. During the year, the Group recognised loss from impairment of assets and goodwill of Baht 567.9 million in the consolidated comprehensive income for the year.</p> <p>I focused on this area due to the significant amount of the goodwill. Moreover, business volatility could impact the assumptions, e.g. the business plan, revenue, growth rate and discount rate which required the management's judgement. Management needed to identify the appropriate assumption to be in line with the current situation.</p>	<p>I tested impairment of assets and 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 assets and goodwill and performed reasonableness testing of estimates by comparing to historical data.</p> <p>I assessed the impairment testing process and assessed the inputs and assumptions used in the impairment testing of assets and goodwill, specifically the revenue growth rate and discount rate assumptions, and also checked whether they were in line with the business volatility. I compared those inputs and assumptions to the appropriate published information and the approved business plan. It was, including the impact from Coronavirus Disease 2019 ("COVID-19") pandemic and checking the accuracy of transactions of the accounting records.</p> <p>I inquired and 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 would make 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>

Key audit matter	How my audit addressed the key audit matter
<p><b>Valuation of investment properties</b></p> <p>Refer to Note 9 critical accounting estimates and judgements and Note 18 investment properties.</p> <p>As at 31 December 2020, the Group recorded investment property, measured at fair value, of Baht 804.7 million, contributing to 3.0% of the total assets in the consolidated financial statements. During the year, the Group recognised loss arising from changes in the fair value of investment property of Baht 87.6 million in the consolidated comprehensive income for the year.</p> <p>The Group assessed the fair value of the rental buildings using the income approach, which was carried out by a professional appraiser. This appraiser was engaged by the Group after the appraiser's qualifications and expertise were assessed.</p> <p>I focussed on this area because of the magnitude of the value of investment property and because the valuation model depends on judgment of the appropriateness and reliability of the information and assumptions, such as revenue growth rate and discount rate.</p>	<p>I performed the key procedures as follows;</p> <p>I read the valuation report prepared by the appraiser and verified the appropriateness of the valuation approach and source data.</p> <p>I assessed the fair value of rental buildings using an income approach, which identified the future economic benefits that the Group expected to generate from the property, and discounted these cash flows with a reasonable rate of return. I compared the projected cash flows for revenue, revenue growth rate, and occupancy rate with the historical results and the approved business plan and compared the discounted rate to the Group's appropriate rate of return, including the impact from Coronavirus Disease 2019 ("COVID-19") pandemic. I also assessed the accuracy of transactions of the accounting records.</p> <p>I assessed the appraiser's qualifications and expertise and read the terms of their engagement with the Group to determine whether there were any matters that might have affected their objectivity or imposed a scope limitation on their work.</p> <p>As a result of the procedures performed, I noted that the assumptions used for determining the fair value of the investment property are reasonable.</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 TFRS, 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's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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's and the Company's financial reporting process.

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

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

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional 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's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with 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  
23 February 2021

**S Hotels and Resorts Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2020**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	11	2,492,656,998	3,591,606,082	1,219,695,209	1,730,962,368
Financial assets measured at fair value					
through profit or loss		93,931,001	-	6,425	-
Short-term investments		-	155,766,423	-	-
Trade and other receivables, net	12	52,299,091	287,832,325	84,647	111,535
Inventories	14	175,761,742	302,509,264	-	-
Amounts due from related parties	30	459,390,818	307,655,316	127,808,945	25,611,388
Other current assets	15	364,361,745	481,265,214	29,656,909	22,757,442
<b>Total current assets</b>		<b>3,638,401,395</b>	<b>5,126,634,624</b>	<b>1,377,252,135</b>	<b>1,779,442,733</b>
<b>Non-current assets</b>					
Restricted bank deposits		26,834,040	36,801,408	-	-
Investments in an associate and joint ventures	16	91,973,508	257,155,560	-	-
Investments in subsidiaries	17	-	-	16,835,649,210	19,065,876,905
Long-term loans to related parties	30	1,862,713,313	1,501,628,823	3,252,692,162	938,965,871
Investments properties	18	804,683,432	568,080,273	-	-
Property, plant and equipment, net	19	19,288,734,353	18,768,597,762	4,082,954	3,425,322
Goodwill	20	1,022,917,068	1,111,701,701	-	-
Intangible assets, net		87,911,594	97,280,615	4,182,457	3,861,000
Leasehold rights		-	1,620,040,373	-	-
Deferred income tax assets	21	38,541,155	36,748,694	947,604	326,639
Lease receivable from a related party, net		218,778,673	-	-	-
Other non-current assets		35,779,951	36,974,142	5,673,395	4,387,304
<b>Total non-current assets</b>		<b>23,478,867,087</b>	<b>24,035,009,351</b>	<b>20,103,227,782</b>	<b>20,016,843,041</b>
<b>Total assets</b>		<b>27,117,268,482</b>	<b>29,161,643,975</b>	<b>21,480,479,917</b>	<b>21,796,285,774</b>

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 2020**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions		129,605,426	-	-	-
Trade and other payables	22	587,284,843	1,714,059,830	20,552,065	74,844,113
Amounts due to related parties	30	47,125,589	224,984,949	29,175,008	9,013,729
Current portion of long-term borrowings, net	23	2,628,923,371	382,101,159	324,477,342	-
Income tax payable		17,599,318	4,775,057	-	-
Current portion of lease liabilities, net		25,980,602	-	982,217	-
Retention payables		243,057,380	242,066,666	-	-
Other current liabilities		39,557,662	338,996,330	1,851,225	3,043,061
<b>Total current liabilities</b>		<b>3,719,134,191</b>	<b>2,906,983,991</b>	<b>377,037,857</b>	<b>86,900,903</b>
<b>Non-current liabilities</b>					
Long-term borrowings, net	23	5,724,464,622	7,465,419,033	324,618,724	648,551,921
Derivatives liabilities		35,617,437	-	-	-
Lease liabilities, net		1,107,660,825	-	1,085,085	-
Deferred income tax liabilities	21	743,720,310	806,386,886	-	-
Employee benefits obligations		36,580,763	41,656,155	7,294,421	5,685,762
Other non-current liabilities		74,153,329	18,413,165	-	-
<b>Total non-current liabilities</b>		<b>7,722,197,286</b>	<b>8,331,875,239</b>	<b>332,998,230</b>	<b>654,237,683</b>
<b>Total liabilities</b>		<b>11,441,331,477</b>	<b>11,238,859,230</b>	<b>710,036,087</b>	<b>741,138,586</b>

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 2020**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital	24				
Authorised share capital					
Ordinary shares 3,663,640,000 shares					
at par value of Baht 5 each		18,318,200,000	18,318,200,000	18,318,200,000	18,318,200,000
Issued and paid-up share capital					
Ordinary shares 3,593,640,000 shares					
at paid-up of Baht 5 each		17,968,200,000	17,968,200,000	17,968,200,000	17,968,200,000
Premium on share capital	24	3,335,183,869	3,335,183,869	3,335,183,869	3,335,183,869
Discount from business transferred					
under common control		(2,119,140,909)	(2,119,140,909)	-	-
Share-based payment	29	30,741,538	4,733,108	30,741,538	4,733,108
Deficits					
Unappropriated		(2,480,377,794)	(110,710,785)	(563,681,577)	(252,969,789)
Other components of equity		(1,058,669,699)	(1,155,480,538)	-	-
<b>Total equity</b>		<b>15,675,937,005</b>	<b>17,922,784,745</b>	<b>20,770,443,830</b>	<b>21,055,147,188</b>
<b>Total liabilities and equity</b>		<b>27,117,268,482</b>	<b>29,161,643,975</b>	<b>21,480,479,917</b>	<b>21,796,285,774</b>

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 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Revenue from services		1,562,902,607	3,818,111,757	15,442,078	24,594,070
Costs of services		(1,668,308,904)	(2,490,412,820)	(23,947,942)	(15,563,660)
<b>Gross profit</b>		(105,406,297)	1,327,698,937	(8,505,864)	9,030,410
Other income	25	652,779,147	199,786,086	65,723,123	24,756,906
Selling expenses		(171,490,063)	(366,298,697)	(5,383,578)	(12,223,562)
Administrative expenses		(2,200,753,111)	(1,083,805,620)	(341,513,441)	(107,232,319)
Finance costs (interest expenses)		(377,445,393)	(424,646,986)	(21,652,993)	(177,991,246)
Share of profit (loss) from an associate and joint ventures		(172,101,637)	20,246,757	-	-
<b>Loss before income taxes</b>		(2,374,417,354)	(327,019,523)	(311,332,753)	(263,659,811)
Income tax expenses	27	3,747,670	(139,834,862)	620,965	(10,625,893)
<b>Loss for the year</b>		(2,370,669,684)	(466,854,385)	(310,711,788)	(274,285,704)
<b>Other comprehensive income (expense), net of taxes</b>					
Items that will not be reclassified to profit or loss					
- Actuarial gains, net of taxes		930,203	-	-	-
Total items that will be reclassified to profit or loss, net of taxes		930,203	-	-	-
Items that will be reclassified subsequently to profit or loss					
- Cash flow hedges		(30,618,958)	-	-	-
- Change in value of available-for-sale investments		-	(103,684)	-	-
- Currency translation differences		127,158,133	(865,403,984)	-	-
- Income tax relating to items that will be reclassified		4,592,844	20,737	-	-
Total items that will be reclassified to profit or loss, net of taxes		101,132,019	(865,486,931)	-	-
<b>Other comprehensive income (expense) for the year, net of taxes</b>		102,062,222	(865,486,931)	-	-
<b>Total comprehensive expense for the year</b>		(2,268,607,462)	(1,332,341,316)	(310,711,788)	(274,285,704)

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 2020

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Loss attributable to:</b>					
Owners of the parent		(2,370,669,684)	(466,854,385)	(310,711,788)	(274,285,704)
Non-controlling interests		-	-	-	-
		<u>(2,370,669,684)</u>	<u>(466,854,385)</u>	<u>(310,711,788)</u>	<u>(274,285,704)</u>
<b>Total comprehensive expense</b>					
<b>attributable to:</b>					
Owners of the parent		(2,268,607,462)	(1,332,341,316)	(310,711,788)	(274,285,704)
Non-controlling interests		-	-	-	-
		<u>(2,268,607,462)</u>	<u>(1,332,341,316)</u>	<u>(310,711,788)</u>	<u>(274,285,704)</u>
<b>Loss per share</b>					
Basic loss per share	28	(0.66)	(0.20)	(0.09)	(0.12)

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 2020

Consolidated financial statements													
Attributed to owners of the parent													
Notes	Attributed to owners of the parent					Other components of equity							
	Issued and paid-up share capital	Premium on share capital	Discount from business transferred under common control	Share-based payment	Retained earnings (deficits) Unappropriated	Other comprehensive income				Total other components of equity	Equity attributable to owner of the parent	Non-controlling interests	Total equity
						Fair value reserve of available-for-sale investments	Cash flow hedge	Currency translation differences					
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
<b>Opening balance as at 1 January 2020 - previously reported</b>	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	-	17,922,784,745	
Retrospective adjustments from changes in accounting policy	5	-	-	-	72,472	(72,472)	(4,248,708)	-	(4,321,180)	(4,248,708)	-	(4,248,708)	
<b>Opening balance as at 1 January 2020 - restated</b>	17,968,200,000	3,335,183,869	(2,119,140,909)	4,733,108	(110,638,313)	-	(4,248,708)	(1,155,553,010)	(1,159,801,718)	17,918,536,037	-	17,918,536,037	
Share-based payment	29	-	-	26,008,430	-	-	-	-	-	26,008,430	-	26,008,430	
Total comprehensive income (expense) for the year		-	-	-	(2,369,739,481)	-	(26,026,114)	127,158,133	101,132,019	(2,268,607,462)	-	(2,268,607,462)	
<b>Closing balance as at 31 December 2020</b>	<u>17,968,200,000</u>	<u>3,335,183,869</u>	<u>(2,119,140,909)</u>	<u>30,741,538</u>	<u>(2,480,377,794)</u>	<u>-</u>	<u>(30,274,822)</u>	<u>(1,028,394,877)</u>	<u>(1,058,669,699)</u>	<u>15,675,937,005</u>	<u>-</u>	<u>15,675,937,005</u>	
<b>Opening balance as at 1 January 2019</b>	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	-	11,983,719,858	
Increase of share capital	24	7,187,280,000	79,393,095	-	-	-	-	-	-	7,266,673,095	-	7,266,673,095	
Share-based payment	29	-	-	4,733,108	-	-	-	-	-	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)	-	(1,332,341,316)	
<b>Closing balance as at 31 December 2019</b>	<u>17,968,200,000</u>	<u>3,335,183,869</u>	<u>(2,119,140,909)</u>	<u>4,733,108</u>	<u>(110,710,785)</u>	<u>72,472</u>	<u>-</u>	<u>(1,155,553,010)</u>	<u>(1,155,480,538)</u>	<u>17,922,784,745</u>	<u>-</u>	<u>17,922,784,745</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 Changes in Equity  
For the year ended 31 December 2020

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
<b>Opening balance as at 1 January 2020</b>	17,968,200,000	3,335,183,869	4,733,108	(252,969,789)	21,055,147,188
Share-based payment	29	-	-	26,008,430	-
Total comprehensive expense for the year	-	-	-	(310,711,788)	(310,711,788)
<b>Closing balance as at 31 December 2020</b>	<u>17,968,200,000</u>	<u>3,335,183,869</u>	<u>30,741,538</u>	<u>(563,681,577)</u>	<u>20,770,443,830</u>
<b>Opening balance as at 1 January 2019</b>	10,780,920,000	3,255,790,774	-	21,315,915	14,058,026,689
Increase of share capital	24	7,187,280,000	79,393,095	-	7,266,673,095
Share-based payment	29	-	-	4,733,108	4,733,108
Total comprehensive expense for the year	-	-	-	(274,285,704)	(274,285,704)
<b>Closing balance as at 31 December 2019</b>	<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>

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 2020

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Notes	Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>				
Loss for the year before income taxes	(2,374,417,354)	(327,019,523)	(311,332,753)	(263,659,811)
<b>Adjustment to reconcile net loss for cash receipts (payments) from operations</b>				
Depreciation and amortisation expenses	985,747,610	675,903,046	1,630,152	351,870
Allowance for doubtful accounts and write-off of receivables	93,143,069	2,780,445	-	-
Loss from write-off inventories	75,208,866	-	-	-
Loss from fair value adjustment for investment properties	87,548,030	-	-	-
Gain from disposal of short-term investments	(368,548)	(2,151,095)	(6,371)	-
Gain from sale of investment in subsidiary	25 (333,092,728)	-	-	-
Share-based payment	7,690,483	6,587,374	7,337,542	4,316,216
Employee benefits obligations	17,953,687	11,089,747	1,608,659	1,335,363
Gain from disposal of right-of-use of assets	(96,543,003)	-	-	-
Loss from impairment of assets and goodwill	567,878,297	-	-	-
Loss from write-off and disposals of assets	13,449,674	13,179,555	1,710,000	-
Share of (profit) loss from investment in an associate and joint ventures	172,101,637	(20,246,757)	-	-
Unrealised loss on exchange rate	75,432,345	38,845,409	11,594,025	10,065,169
Realised loss on exchange rate from restructure	-	-	187,806,220	-
Losses (Gains) from fair value of financial assets	1,869,713	-	(54)	-
Interest income	25 (144,146,856)	(119,912,758)	(59,782,108)	(24,441,662)
Financial costs	377,445,393	424,646,986	21,652,993	177,991,246
<b>Cash flows before changes in working capital</b>	(473,099,685)	703,702,429	(137,781,695)	(94,041,609)
<b>Changes in working capital</b>				
Trade and other receivables	152,271,607	(64,542,065)	(7,133,964)	(111,525)
Amounts due from related parties	5,829,369	(49,510,722)	21,294,885	(9,196,617)
Inventories	51,538,656	38,528,507	-	-
Other current assets	58,907,525	(186,272,185)	(6,926,100)	(14,786,050)
Other non-current assets	26,592,258	136,518,850	54,506	(815,654)
Trade and other payables	(457,967,524)	362,895,992	(54,021,452)	47,859,749
Amounts due to related parties	(179,344,062)	(148,802,187)	14,815,953	(105,240,455)
Retention payables	990,714	40,319,568	-	-
Other current liabilities	(96,385,816)	107,956,243	(1,191,836)	2,588,775
Other non-current liabilities	(64,919)	(1,189,873)	-	-
<b>Cash generated from (used in) operating activities</b>	(910,731,877)	939,604,557	(170,889,703)	(173,743,386)
Employee benefits paid	(22,387,071)	(3,285,294)	-	(1,941)
Interest paid	(249,975,082)	(460,043,807)	(21,286,712)	(212,590,722)
Income tax paid	(33,653,433)	(93,956,536)	(1,340,598)	(8,451,341)
<b>Net cash generated from (used in) operating activities</b>	(1,216,747,463)	382,318,920	(193,517,013)	(394,787,390)

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 2020

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Notes	Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>				
Cash payments for purchase short-term investments	(452,100,000)	(916,000,000)	(60,000,000)	-
Cash receipts from disposal of short-term investments	505,300,346	822,866,558	60,000,000	-
Cash payments for short-term loans to related party	-	-	-	(21,900,000)
Cash receipts from short-term loans to related party	-	-	-	21,900,000
Cash payments for long-term loans to related parties	30 (318,997,700)	-	(2,318,200,672)	(650,000,000)
Cash receipts from disposal of investment in subsidiary	119,229,528	-	-	-
Cash payments for expenses relating to disposal of investment in subsidiary	(46,163,575)	-	-	-
Cash receipts for long-term loans to related party	30 -	-	-	116,000,000
Cash payments for purchase property, plant and equipment	(569,146,566)	(3,806,177,250)	(1,082,999)	(3,777,192)
Cash receipts from disposal of right-of-use of assets and property, plant and equipment	249,882,386	-	-	-
Cash payments for purchase leasehold rights	-	(2,753,296)	-	-
Cash payments for purchase intangible assets	(2,686,464)	(39,569,631)	(321,457)	(3,861,000)
Cash payments for investments in subsidiary	-	-	(4,999,925)	-
Cash receipts from capital reduction of subsidiary	-	-	1,981,650,000	-
Cash receipts from interest income	15,981,260	9,509,372	26,145,759	38,344,375
Cash receipts from dividend from an associate	-	31,882,240	-	-
<b>Net cash used in investing activities</b>	<b>(498,700,785)</b>	<b>(3,900,242,007)</b>	<b>(316,809,294)</b>	<b>(503,293,817)</b>
<b>Cash flows from financing activities</b>				
Cash receipts from short-term borrowings from related party	-	62,000,000	-	162,000,000
Repayments of short-term borrowings from related party	-	(5,357,830,000)	-	(5,457,830,000)
Cash receipts from short-term borrowings from financial institutions	129,605,426	-	-	-
Cash receipts from long-term borrowings from financial institutions	572,369,175	4,149,013,715	-	648,375,000
Repayments of long-term borrowings from financial institutions	(93,644,442)	(865,752,485)	-	-
Repayment of principal of lease agreement	(39,762,390)	-	(940,852)	-
Cash receipts from increase of share capital of the Company	-	7,275,497,979	-	7,275,497,979
<b>Net cash generated from (used in) financing activities</b>	<b>568,567,769</b>	<b>5,262,929,209</b>	<b>(940,852)</b>	<b>2,628,042,979</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,146,880,479)</b>	<b>1,745,006,122</b>	<b>(511,267,159)</b>	<b>1,729,961,772</b>
Gain (loss) on exchange rate on cash and cash equivalents	47,931,395	(46,303,865)	-	-
Cash and cash equivalents at beginning of the year	3,591,606,082	1,892,903,825	1,730,962,368	1,000,596
<b>Cash and cash equivalents at ending of the year</b>	<b>2,492,656,998</b>	<b>3,591,606,082</b>	<b>1,219,695,209</b>	<b>1,730,962,368</b>

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 2020

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	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
<b>Non-cash transactions</b>				
Material non-cash transaction as of 31 December as follows:				
Trade and other payables from purchase of property, plant and equipment	98,649,884	767,245,714	-	-
Property, plant and equipment arising from lease agreement	26,889,772	-	-	-
Receivables arising from disposal of right-of-use assets and property, plant and equipment	216,726,457	-	-	-
Amounts due from a related party from share capital deduction	-	-	60,074,200	-

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

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## 1 General information

S Hotels and Resorts Public Company Limited (the Company) 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.

These consolidated and separate financial statements was authorised by the Board of Directors on 23 February 2021.

## 2 Significant events during the current year

### Coronavirus Disease 2019 outbreak

The outbreak of Coronavirus Disease 2019 ("COVID-19") in early 2020 has adverse effects on operating results for the year ended 31 December 2020 particularly on the hotel businesses, the principal business.

The global COVID-19 outbreak initiated government-imposed travelling restrictions and controls as well as upended the normal way of living and economic activities. As a result, operating profit / revenue significantly dropped by comparing to 2019. This is due to temporary operational closures from April to June 2020 from travel restrictions and preventive measures previously suspended and currently diminished domestic and international travels. In response, the Group offered various marketing activities and promotions such as room and food and beverage discount to attract customers. The management expects all countries where the Group operates its business will open borders for international tourists on the second half of 2021. As a result, the Group's performance will recover to the normal level in 2022.

## 3 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 as 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 9.

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.

## 4 New and amended financial reporting standards

### 4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group

#### a) Financial instruments

The new financial standards related to financial instruments are as follows:

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

#### 4 New and amended financial reporting standards

##### 4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group (Cont'd)

###### a) Financial instruments (Cont'd)

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

###### b) TFRS 16, Leases

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

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

##### 4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and have significant impacts to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

###### a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which may be a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

###### b) Amendment to TFRS 3, Business combinations amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.

###### c) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

###### d) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

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

4 New and amended financial reporting standards (Cont'd)

4.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have significant impacts to the Group

**Amendment to TFRS 16, Leases** amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

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

5 Impacts from initial application of the new and revised financial reporting standards

Since 1 January 2020, the Group has adopted financial reporting standards relating to Financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16), but has not restated comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The following table shows the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

		Consolidated financial statements			
		As at 31 December 2019 Previously reported	TAS 32 and TFRS 9 Reclassifications and adjustments	TFRS 16 Reclassifications and adjustments	As at 1 January 2020 Restated
Statement of Financial Position	Notes	Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Financial assets measured at fair value through profit or loss	5.1	-	155,766,423	-	155,766,423
Short-term investments	5.1	155,766,423	(155,766,423)	-	-
Other current assets	5.1	481,265,214	-	(55,142,085)	426,123,129
<b>Total current assets</b>		<b>637,031,637</b>	<b>-</b>	<b>(55,142,085)</b>	<b>581,889,552</b>
<b>Non-current assets</b>					
Property, plant and equipment, net	5.2	18,768,597,762	-	2,696,459,264	21,465,057,026
Leasehold right	5.2	1,620,040,373	-	(1,620,040,373)	-
Deferred income tax assets <sup>(1)</sup>	5.1	36,748,694	749,772	-	37,498,466
<b>Total non-current assets</b>		<b>20,425,386,829</b>	<b>749,772</b>	<b>1,076,418,891</b>	<b>21,502,555,492</b>
<b>Total assets affected</b>		<b>21,062,418,466</b>	<b>749,772</b>	<b>1,021,276,806</b>	<b>22,084,445,044</b>
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Other current liabilities	5.2	338,996,330	-	(67,783,677)	271,212,653
Current portion of lease liabilities	5.2	-	-	8,368,427	8,368,427
<b>Total current liabilities</b>		<b>338,996,330</b>	<b>-</b>	<b>(59,415,250)</b>	<b>279,581,080</b>
<b>Non-current liabilities</b>					
Derivative liabilities	5.1	-	4,998,480	-	4,998,480
Lease liabilities, net	5.2	-	-	1,080,692,056	1,080,692,056
<b>Total non-current liabilities</b>		<b>-</b>	<b>4,998,480</b>	<b>1,080,692,056</b>	<b>1,085,690,536</b>
<b>Total liabilities affected</b>		<b>338,996,330</b>	<b>4,998,480</b>	<b>1,021,276,806</b>	<b>1,365,271,616</b>

<sup>(1)</sup> Impacts from initial application of the new financial reporting standards.

**S Hotels and Resorts Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

**5 Impacts from initial application of the new and revised financial reporting standards (Cont'd)**

The impact of first-time adoption of new financial reporting standards on the consolidated and separate statements of financial position are as follows (Cont'd) :

		<b>Consolidated financial statements</b>			
		<b>As at 31 December 2019 Previously reported</b>	<b>TAS 32 and TFRS 9 Reclassifications and adjustments</b>	<b>TFRS 16 Reclassifications and adjustments</b>	<b>As at 1 January 2020 Restated</b>
<b>Statement of Financial Position</b>	<b>Note</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Equity</b>					
Retained earnings (deficits)					
Unappropriated	5.1	(110,710,785)	72,472	-	(110,638,313)
Other components of equity	5.1	(1,155,480,538)	-	-	(1,155,480,538)
- Remeasurements of available-for-sale financial asset	5.1	-	(72,472)	-	(72,472)
- Cash flow hedge	5.1	-	(4,248,708)	-	(4,248,708)
Total equity		(1,266,191,323)	(4,248,708)	-	(1,270,440,031)
<b>Total liabilities and equity affected</b>		(927,194,993)	749,772	1,021,276,806	94,831,585
		<b>Separate financial statements</b>			
		<b>As at 31 December 2019 Previously reported</b>	<b>TAS 32 and TFRS 9 Reclassifications and adjustments</b>	<b>TFRS 16 Reclassifications and adjustments</b>	<b>As at 1 January 2020 Restated</b>
<b>Statement of Financial Position</b>	<b>Note</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Assets</b>					
Property, plant and equipment, net	5.2	3,425,322	-	2,914,784	6,340,106
Total non-current assets		3,425,322	-	2,914,784	6,340,106
Total assets affected		3,425,322	-	2,914,784	6,340,106
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Current portion of lease liabilities	5.2	-	-	945,831	945,831
Total current liabilities		-	-	945,831	945,831
<b>Non-current liabilities</b>					
Lease liabilities, net	5.2	-	-	1,968,953	1,968,953
Total non-current liabilities		-	-	1,968,953	1,968,953
Total liabilities affected		-	-	2,914,784	2,914,784
<b>Equity</b>		-	-	-	-
<b>Total liabilities and equity affected</b>		-	-	2,914,784	2,914,784

**5 Impacts from initial application of the new and revised financial reporting standards (Cont'd)**

**5.1 Financial instruments**

On 1 January 2020 (the date of initial application), the management has assessed which business models apply to the financial assets and financial liabilities, and has classified its financial instruments into the appropriate TFRS 9 categories below.

**5.1.1 Reclassification from available-for-sale to financial assets at fair value through profit or loss (FVPL)**

Certain investments in preference shares as at 1 January 2020, the Group classified available-for-sale investment to investment measured at FVPL of Baht 156 million since their cash flows do not represent solely payments of principal and interest (SPPI).

Related fair value gains of Baht 0.07 million were transferred from the other comprehensive income to retained earnings on 1 January 2020.

**5.1.2 Recognition of derivative at fair value through profit or loss**

As of 1 January 2020, the Group recognised derivatives at their fair values with a corresponding adjustment to opening retained earnings of Baht 4.25 million. During the year 2020, the fair value losses of Baht 26.03 million were recognised under other comprehensive income in consolidated financial statement.

**5.1.3 Reclassifications of financial instruments on adoption of TFRS 9**

On 1 January 2020, the date of initial application of TFRS 9, the measurement categories and carrying amounts of financial assets and financial liabilities were as follows.

	Consolidated financial statements				
	Measurement categories		Carrying amounts		
	Previously reported (TAS 105 and other TAS)	New (TFRS 9)	Previously reported Baht	New Baht	Difference Baht
<b>Current financial assets</b>					
Cash and cash equivalents	Amortised cost	Amortised cost	3,591,606,082	3,591,606,082	-
Financial assets at fair value through profit or loss (Short-term investments)	Fair value	FVPL	155,766,423	155,766,423	-
Trade and other receivables, net	Amortised cost	Amortised cost	287,832,325	287,832,325	-
Amounts due from related parties	Amortised cost	Amortised cost	307,655,316	307,655,316	-
Other current assets	Amortised cost	Amortised cost	28,181,315	28,181,315	-
<b>Non-current financial assets</b>					
Restricted bank deposits	Amortised cost	Amortised cost	36,801,408	36,801,408	-
Long-term loans to related parties	Amortised cost	Amortised cost	1,501,628,823	1,501,628,823	-
Other non-current assets	Amortised cost	Amortised cost	36,974,142	36,974,142	-
<b>Current financial liabilities</b>					
Trade and other payables	Amortised cost	Amortised cost	1,714,059,830	1,714,059,830	-
Amounts due from related parties	Amortised cost	Amortised cost	224,984,949	224,984,949	-
Current portion of long-term borrowings	Amortised cost	Amortised cost	382,101,159	382,101,159	-
Current portion of lease liabilities, net	Amortised cost	Amortised cost	8,368,427	8,368,427	-
Retention payables	Amortised cost	Amortised cost	242,066,666	242,066,666	-
Other current liabilities	Amortised cost	Amortised cost	5,358,102	5,358,102	-
<b>Non-current financial liabilities</b>					
Long-term borrowings, net	Amortised cost	Amortised cost	7,465,419,033	7,465,419,033	-
Lease liabilities, net	Amortised cost	Amortised cost	1,080,692,056	1,080,692,056	-
Derivative liabilities	Unrecognised	FVPL	-	4,998,480	4,998,480
Other non-current liabilities	Amortised cost	Amortised cost	18,413,165	18,413,165	-

Note : FVPL = Fair value through profit or loss

**5 Impacts from initial application of the new and revised financial reporting standards (Cont'd)**

**5.1 Financial instruments (Cont'd)**

5.1.3 Reclassifications of financial instruments on adoption of TFRS 9 (Cont'd)

On 1 January 2020, the date of initial application of TFRS 9, the measurement categories and carrying amounts of financial assets and financial liabilities were as follows. (Cont'd)

	Separate financial statements				
	Measurement categories		Carrying amounts		
	Previously reported (TAS 105 and other TAS)	New (TFRS 9)	Previously reported Baht	New Baht	Difference Baht
<b>Current financial assets</b>					
Cash and cash equivalents	Amortised cost	Amortised cost	1,730,962,368	1,730,962,368	-
Trade and other receivables, net	Amortised cost	Amortised cost	111,535	111,535	-
Amounts due from related parties	Amortised cost	Amortised cost	25,611,388	25,611,388	-
<b>Non-current financial assets</b>					
Long-term loans to related parties	Amortised cost	Amortised cost	938,965,871	938,965,871	-
Other non-current assets	Amortised cost	Amortised cost	815,760	815,760	-
<b>Current financial liabilities</b>					
Trade and other payables	Amortised cost	Amortised cost	74,844,113	74,844,113	-
Amount due from related parties	Amortised cost	Amortised cost	9,013,729	9,013,729	-
Current portion of lease liabilities, net	Amortised cost	Amortised cost	1,968,953	1,968,953	-
<b>Non-current financial liabilities</b>					
Long-term borrowings, net	Amortised cost	Amortised cost	648,551,921	648,551,921	-
Lease liabilities, net	Amortised cost	Amortised cost	945,831	945,831	-

5.1.4 Impairment of financial assets

The Group and the Company have following financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Loans to related parties

The Group was required to revise its impairment methodology under TFRS 9. The Management has assessed expected credit loss using the expected credit loss model to the financial assets as mentioned above. However, the impact was immaterial.

5 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

5.1 Financial instruments (Cont'd)

5.1.5 Derivatives and hedging activities

Before 1 January 2020 the Group and the Company did not recognise derivatives as assets or liabilities in the financial statements. The derivative contracts and related fair values were disclosed in the note.

The Group recognises adjustments of the fair value of the derivatives in cash flow hedges reserve and retained earnings as follows.

	Consolidated financial statements
	Cash flow hedges reserve
	Baht
<b>As of 1 January 2020</b>	
<b>Non-current liabilities</b>	
Interest rate swaps - cash flow hedges	4,998,480
<b>Total derivative liabilities - non-current</b>	<b>4,998,480</b>
<b>As at 31 December 2020</b>	
<b>Non-current liabilities</b>	
Interest rate swaps - cash flow hedges	35,617,437
<b>Total derivative liabilities - non-current</b>	<b>35,617,437</b>

*Hedging reserve*

The Group's reserves disclosed comprises the hedging instruments:

	Consolidated financial statements	
	Cash flow hedge reserves	
	Interest rate swaps Baht	Total hedge reserves Baht
<b>Opening balance 1 January 2020 - as restated</b>	(4,248,708)	(4,248,708)
Add: Costs of hedging deferred and recognised in OCI	(30,618,958)	(30,618,958)
Less: Deferred income tax	4,592,844	4,592,844
<b>Closing balance 31 December 2020</b>	<b>(30,274,822)</b>	<b>(30,274,822)</b>

5.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases for leases of land, buildings and equipments with lease terms more than 12 months. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 ranging from 3% to 6%.

**5 Impacts from initial application of the new and revised financial reporting standards (Cont'd)**

**5.2 Leases (Cont'd)**

The associated right-of-use assets were measured at the amount equal to the lease liability in which the incremental borrowing rate for the remaining lease terms on 1 January 2020, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2020.

	<b>Consolidated financial statement Baht</b>	<b>Separate financial statement Baht</b>
Operating lease commitments disclosed as at 31 December 2019	2,832,252,802	12,127,680
Less : Discounted using the lessee's incremental borrowing rate of at the date of initial application	(1,899,845,400)	(170,816)
Less : Short-term leases recognised on a straight-line basis as expense	(1,371,115)	(413,000)
Less : Low-value leases recognised on a straight-line basis as expense	(1,925,612)	-
Less : Contracts reassessed as service agreements / service portion included in leases	(16,041,648)	(8,715,680)
Add : Adjustments as a result of a different treatment of extension and termination options	175,991,456	86,600
<b>Lease liability as at 1 January 2020</b>	<b>1,089,060,483</b>	<b>2,914,784</b>
Current lease liabilities	8,368,427	945,831
Non-current lease liabilities	1,080,692,056	1,968,953
<b>Total lease liability recognised as at 1 January 2020</b>	<b>1,089,060,483</b>	<b>2,914,784</b>

**6 Accounting policies**

**6.1 Principles of consolidation and equity accounting**

**a) Subsidiaries**

Subsidiaries are all 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.

## **6 Accounting policies (Cont'd)**

### **6.1 Principles of consolidation and equity accounting (Cont'd)**

#### **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.

#### **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.

Lists of subsidiaries, associates and joint ventures of the group are presented in Note 16 and 17.

### **6.2 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 in profit or loss.

## **6 Accounting policies (Cont'd)**

### **6.2 Business combination (Cont'd)**

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.

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.

### **6.3 Foreign currency translation**

#### **a) Functional and presentation currency**

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

### **6.4 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.

## **6 Accounting policies (Cont'd)**

### **6.5 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 holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost. Consideration relating to allowance for decrease in value of trade and other receivables is disclosed in Note 6.

### **6.6 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.

### **6.7 Financial asset**

For the year ended 31 December 2020

#### **a) Classification**

From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### **b) Recognition and derecognition**

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### **c) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

## 6 Accounting policies (Cont'd)

### 6.7 Financial asset (Cont'd)

For the year ended 31 December 2020 (Cont'd)

#### d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

#### e) Impairment

From 1 January 2020, the Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and lease receivables, which applies lifetime expected credit loss, from initial recognition, for all trade receivables and lease receivables.

To measure the expected credit losses, management classified trade receivables based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

The expected loss rates are based on the payment profiles of sales over a period of 13 months before 1 January 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified economic situation of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

For other financial assets carried at amortised cost, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

## **6 Accounting policies (Cont'd)**

### **6.7 Financial asset (Cont'd)**

For the year ended 31 December 2020 (Cont'd)

#### **e) Impairment (Cont'd)**

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss included in administrative expenses.

Classification and measurement of financial assets for the year ended 31 December 2019 is disclosed in Note 5.1.

For the year ended 31 December 2019

#### *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 cost.

#### *Trading and available-for-sale investments*

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. 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.

#### *Disposal of investments*

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.

### **6.8 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.

## **6 Accounting policies (Cont'd)**

### **6.8 Investment property (Cont'd)**

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.

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.

### **6.9 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 to 10 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.

### **6.10 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.

### **6.11 Leasehold right**

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

## **6 Accounting policies (Cont'd)**

### **6.12 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.

### **6.13 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.

### **6.14 Leases**

For the year ended 31 December 2020

#### **Leases - where the Group is the lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

## **6 Accounting policies (Cont'd)**

### **6.14 Leases (Cont'd)**

For the year ended 31 December 2020 (Cont'd)

#### **Leases - 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. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

For the year ended 31 December 2019

#### **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.

#### **Leases - 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.

### **6.15 Financial liabilities**

For the year ended 31 December 2020

#### **a) Classification**

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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.

## **6 Accounting policies (Cont'd)**

### **6.15 Financial liabilities (Cont'd)**

For the year ended 31 December 2020 (Cont'd)

#### **b) Measurement**

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

#### **c) Derecognition and modification**

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/losses in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/losses in profit or loss.

For the year ended 31 December 2019

#### ***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.

### **6.16 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take times to get ready for its intended use or sale) 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.

## **6 Accounting policies (Cont'd)**

### **6.17 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.

### **6.18 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.

## **6 Accounting policies (Cont'd)**

### **6.19 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.

### **6.20 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.

### **6.21 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.

### **6.22 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.

## **6 Accounting policies (Cont'd)**

### **6.23 Derivatives and hedging activities**

#### **a) Embedded derivative and derivatives that do not qualify for hedge accounting**

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains (losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

#### **b) Hedge accounting**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group designates certain derivatives as either hedges of a particular risk associated with the cash flows of i) recognised assets and liabilities and ii) highly probable forecast transactions (cash flow hedges); or

At inception of the hedge relationship, the Group documents i) the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items and ii) its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a current or non-current asset or liability following the maturity of related hedged item.

The fair values of derivative financial instruments designated in hedge relationships and movements in the hedging reserve in shareholders' equity are shown in Note 7.

#### **Hedge effectiveness**

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

## 6 Accounting policies (Cont'd)

### 6.23 Derivatives and hedging activities (Cont'd)

#### b) Hedge accounting (Cont'd)

##### Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains (losses).

When interest rate swap are used to hedge forecast transactions, the Group generally designates only the change in fair value of the interest rate swap as the hedging instrument. Gains or losses of the interest rate swap contracts are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss relating to the effective portion of the interest rate swaps hedging variable rates borrowings is recognised in profit or loss within finance costs at the same time as the interest expense on the hedged borrowings.

## 7 Financial risk management

### 7.1 Financial risk

The Group exposes to interest rate risk from its Group's normal business operation. The Group uses financial instruments to minimise uncertainty associated with expected cashflow arising from interest rate fluctuation and manage liquidity of cash.

Financial risks and how these risks could affect the future financial performance are as follows:

Risk	Exposure arising from	Measurement	Management
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Baht	Cash flow forecasts Sensitivity analysis	General Hedge
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Credit risk	Cash and cash equivalents, trade and other receivables, derivative financial instruments, debt investment and long-term loans to related parties	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letter of credit, investment guidelines for debt investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Group's risk management is controlled by a central treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans.

7 Financial risk management (Cont'd)

7.1 Financial risk (Cont'd)

7.1.1 Market risk

a) Foreign exchange risk

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

*Exposure*

The Group and the Company exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

	Consolidated financial statements							
	2020				2019			
	US Dollar Baht	Euro Baht	AU Dollar Baht	SG Dollar Baht	US Dollar Baht	Euro Baht	AU Dollar Baht	SG Dollar Baht
Long-term borrowings, net	94,682,663	413,444,608	-	-	94,973,132	379,228,230	-	-

  

	Separate financial statements					
	2020			2019		
	US Dollar Baht	Euro Baht	SG Dollar Baht	US Dollar Baht	Euro Baht	SG Dollar Baht
Amounts due from related parties	95,382,104	5,901,651	-	9,049,716	-	-
Long-term loan to related parties	637,383,361	240,416,930	-	639,715,871	-	-

*Sensitivity*

As shown in the table above, the Group is primarily exposed to changes in Baht, US Dollar and Euro exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar.

	Consolidated financial statements	
	Impact to net profit	
	2020 Baht	2019 Baht
US Dollar to Baht exchange rate - increase 2.42% (2019: 2.02%)*	2,307,778	1,925,397
US Dollar to Baht exchange rate - decrease 2.42% (2019: 2.02%)*	(2,307,778)	(1,925,397)
Euro to Baht exchange rate - increase 2.99% (2019: 2.98%)*	12,361,090	11,319,817
Euro to Baht exchange rate - decrease 2.99% (2019: 2.98%)*	(12,361,090)	(11,319,817)

  

	Separate financial statements	
	Impact to net profit	
	2020 Baht	2019 Baht
US Dollar to Baht exchange rate - increase 2.42% (2019: 2.02%)*	13,098,442	12,712,553
US Dollar to Baht exchange rate - decrease 2.42% (2019: 2.02%)*	(13,098,442)	(12,712,553)

\*Holding all other variables constant

## 7 Financial risk management (Cont'd)

### 7.1 Financial risk (Cont'd)

#### 7.1.1 Market risk (Cont'd)

##### b) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow risk. Generally, the Group enters into long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. During 2020 and 2019, the Group's borrowings at variable rate were mainly denominated in Baht, Fiji dollars, Euro and US dollars.

The Group's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced (see the table below) and to that extent are also exposed to the risk of future changes in market interest rates.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

	Consolidated financial statements			
	2020		2019	
	Baht	% of total loans	Baht	% of total loans
Variable rate borrowings	8,353,387,993	100	7,847,520,192	100
	8,353,387,993	100	7,847,520,192	100
	Separate financial statements			
	2020		2019	
	Baht	% of total loans	Baht	% of total loans
Variable rate borrowings	649,096,066	100	648,551,921	100
	649,096,066	100	648,551,921	100

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings. An analysis by maturities is provided in Note 7.1.3.

##### *Instruments used by the Group*

The Group entered into interest rate swaps covering approximately 18% (2019: 18%) of the variable loan principal outstanding. The fixed interest rates of the swaps is 4.54% (2019: 4.54%).

The swap contracts require settlement of net interest receivable or payable every 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

##### *Effect of hedge accounting on the financial position and performance*

The effects of the interest rate-related hedging instruments on the Group financial position and performance are as follows:

	Consolidated financial statements	
	2020	Baht
<i>Interest rate swaps</i>		
Carrying amount (liabilities)	35,617,437	
Notional amount	US Dollar 50 million	
Maturity date	30 June 2022	
Hedge ratio	1:1	
Change in fair value of outstanding hedge instruments since 1 January	30,618,957	
Change in value of hedged item used to determine hedge effectiveness	(30,618,957)	
Weighted average strike rate for outstanding hedging instruments	4.54%	

## 7 Financial risk management (Cont'd)

### 7.1 Financial risk (Cont'd)

#### 7.1.1 Market risk (Cont'd)

##### b) Cash flow and fair value interest rate risk (Cont'd)

###### *Sensitivity*

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and interest expenses from borrowings as a result of changes in interest rates. Other components of equity changes as a result of an increase or decrease in the fair value of the cash flow hedges of borrowings.

	Consolidated financial statements			
	Impact to net profit		Impact to other components of equity	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Interest rate - increase 0.25%*	(16,511,802)	(13,852,830)	(5,684,971)	-
Interest rate - decrease 0.25%*	16,511,802	13,852,830	5,684,971	-

	Separate financial statements	
	Impact to net profit	
	2020 Baht	2019 Baht
Interest rate - increase 0.25%*	(1,625,000)	(812,500)
Interest rate - decrease 0.25%*	1,625,000	812,500

\*Holding all other variables constant

#### 7.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through profit or loss (FVPL), derivative financial instruments as well as credit exposures to customers, including outstanding receivables.

##### a) Risk management

Credit risk is managed on a group basis. For deposits at banks and financial institutions, only independently rated parties and bank facilities are dealt in accordance with the approved group policy.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on tips assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors.

The Group's and the Company's investments in debt instruments are considered to be low risk investments. The Group regularly monitors the credit ratings of the investments for credit deterioration.

## **7 Financial risk management (Cont'd)**

### **7.1 Financial risk (Cont'd)**

#### **7.1.2 Credit risk (Cont'd)**

##### **b) Impairment of financial assets**

The Group and the Company has types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Loan to related parties

##### *Cash and cash equivalents*

The Group and the Company considers that all debt investments measured at amortised cost and FVOCI have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider 'low credit risk' for debt instruments to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

##### *Trade receivables*

The Group applies TFRS 9 the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In the year 2019, the Group recognised allowance for doubtful of trade receivables based on the incurred loss model such as uncollectible, which was not taken into account future losses. Therefore, loss allowance and allowance for doubtful accounts are not comparable.

##### *Loans to related parties*

Loans to related parties measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

#### **7.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 2,466 millions (2019: Baht 3,584 millions) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors a) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and b) cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

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**7 Financial risk management (Cont'd)**

**7.1 Financial risk (Cont'd)**

**7.1.3 Liquidity risk (Cont'd)**

**a) Maturity of financial liabilities**

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

Maturity of financial liabilities	Consolidated financial statements					Carrying amount Baht
	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	
<b>As at 31 December 2020</b>						
Short-term borrowing from financial institution	-	129,605,426	-	-	129,605,426	129,605,426
Trade and other payables	-	587,284,843	-	-	587,284,843	587,284,843
Lease liabilities	-	93,405,714	304,210,357	2,578,315,350	2,975,931,421	1,133,641,427
Long-term borrowings	-	2,631,328,815	3,428,270,236	2,303,800,712	8,363,399,763	8,353,387,993
<b>Total financial liabilities that is not derivatives</b>	-	3,441,624,798	3,732,480,593	4,882,116,062	12,056,221,453	10,203,919,689
<b>Derivative financial instruments</b>						
Foreign currency forwards - cash flow hedge - Net cash outflows	-	23,276,800	11,542,742	-	34,819,542	35,617,437
<b>Total derivatives</b>	-	23,276,800	11,542,742	-	34,819,542	35,617,437
<b>Total</b>	-	3,464,901,598	3,744,023,335	4,882,116,062	12,091,040,995	10,203,919,689
<b>As at 31 December 2019</b>						
Trade and other payables	-	1,714,059,830	-	-	1,714,059,830	1,714,059,830
Long-term borrowings	-	384,545,307	5,076,190,899	2,394,860,760	7,855,596,966	7,847,520,192
<b>Total financial liabilities that is not derivatives</b>	-	2,098,605,137	5,076,190,899	2,394,860,760	9,569,656,796	9,561,580,022
<b>Total</b>	-	2,098,605,137	5,076,190,899	2,394,860,760	9,569,656,796	9,561,580,022
	Separate financial statements					
	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Carrying amount Baht
<b>As at 31 December 2020</b>						
Trade and other payables	-	20,552,065	-	-	20,552,065	20,552,065
Lease liabilities	-	1,139,548	1,007,200	-	2,144,748	2,067,302
Long-term borrowings	-	325,020,000	324,980,000	-	650,000,000	649,096,066
<b>Total financial liabilities that is not derivatives</b>	-	346,709,613	325,987,200	-	672,696,813	671,715,433
<b>Total</b>	-	346,709,613	325,987,200	-	672,696,813	671,715,433
<b>As at 31 December 2019</b>						
Trade and other payables	-	74,844,113	-	-	74,844,113	74,844,113
Long-term borrowings	-	-	650,000,000	-	650,000,000	648,551,921
<b>Total financial liabilities that is not derivatives</b>	-	74,844,113	650,000,000	-	724,844,113	723,396,034
<b>Total</b>	-	74,844,113	650,000,000	-	724,844,113	723,396,034

Long-term borrowings are presented in amount as stated in the loan agreement with interest rate as of 31 December 2020.

**7.2 Capital management**

**7.2.1 Risk Management**

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- 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 amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital based on gearing ratio which is determined by dividing net debt with equity.

During the year 2020, the Group's strategy, which remains unchanged, was to maintain a gearing ratio within 20% to 40% and a good credit rating.

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**8 Fair value**

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

	<b>Consolidated financial statements</b>			
	<b>Fair value through profit or loss (FVPL)</b>	<b>Fair value through other comprehensive income (FVOCI)</b>	<b>Amortised cost</b>	<b>Total carrying amount/ Fair value</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>31 December 2020</b>				
<i>Financial assets measured at fair value</i>				
Financial assets at FVPL	93,931,001	-	-	93,931,001
	93,931,001	-	-	93,931,001
<i>Financial assets not measured at fair value</i>				
Cash and cash equivalents	-	-	2,492,656,998	2,492,656,998
Trade and other receivables, net	-	-	52,299,091	52,299,091
Amounts due from related parties	-	-	459,390,818	459,390,818
Other current assets	-	-	12,036,418	12,036,418
Restricted bank deposit	-	-	26,834,040	26,834,040
Long-term loans to related parties	-	-	1,862,713,313	1,862,713,313
Lease receivable from a related party, net	-	-	218,778,673	218,778,673
Other non-current assets	-	-	31,488,873	31,488,873
	-	-	5,156,198,224	5,156,198,224
<i>Financial liabilities measured at fair value</i>				
Derivative financial instruments	-	35,617,437	-	35,617,437
	-	35,617,437	-	35,617,437
<i>Financial liabilities not measured at fair value</i>				
Short-term borrowings	-	-	129,605,426	129,605,426
Trade and other payables	-	-	587,284,843	587,284,843
Amounts due to related parties	-	-	47,125,589	47,125,589
Current portion of long-term borrowings, net	-	-	2,628,923,371	2,628,923,371
Current portion of lease liabilities, net	-	-	25,980,602	25,980,602
Retention payables	-	-	243,057,380	243,057,380
Other current liabilities	-	-	403,901	403,901
Long-term borrowings, net	-	-	5,724,464,622	5,724,464,622
Lease liabilities	-	-	1,107,660,825	1,107,660,825
Non-current liabilities	-	-	74,153,329	74,153,329
	-	-	10,568,659,888	10,568,659,888

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**8 Fair value (Cont'd)**

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value. (Cont'd)

	<b>Consolidated financial statements</b>			
	<b>Fair value through profit or loss (FVPL)</b>	<b>Fair value through other comprehensive income (FVOCI)</b>	<b>Amortised cost</b>	<b>Total carrying amount / Fair value</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>1 January 2020</b>				
<i>Financial asses measured at fair value</i>				
Financial assets at FVPL	155,766,423	-	-	155,766,423
	155,766,423	-	-	155,766,423
<i>Financial asses not measured at fair value</i>				
Cash and cash equivalents	-	-	3,591,606,082	3,591,606,082
Trade and other receivables, net	-	-	287,832,325	287,832,325
Amount due from related parties	-	-	307,655,316	307,655,316
Other current assets	-	-	28,181,315	28,181,315
Restricted bank deposit	-	-	36,801,408	36,801,408
Long-term loans to related parties	-	-	1,501,628,823	1,501,628,823
Other non-current assets	-	-	27,917,597	27,917,597
	-	-	5,781,622,866	5,781,622,866
<i>Financial liabilities measured at fair value</i>				
Derivative financial instruments	-	4,998,479	-	4,998,479
	-	4,998,479	-	4,998,479
<i>Financial liabilities not measured at fair value</i>				
Short-term borrowings				
Trade and other payables	-	-	1,714,059,830	1,714,059,830
Amount due to related parties	-	-	224,984,949	224,984,949
Current portion of long-term borrowings, net	-	-	382,101,159	382,101,159
Current portion of lease liabilities, net	-	-	8,368,427	8,368,427
Retention payables	-	-	242,066,666	242,066,666
Other current liabilities	-	-	5,358,102	5,358,102
Long-term borrowings, net	-	-	7,465,419,033	7,465,419,033
Lease liabilities, net	-	-	1,080,692,056	1,080,692,056
Non-current liabilities	-	-	18,413,165	18,413,165
	-	-	11,141,463,387	11,141,463,387

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**8 Fair value (Cont'd)**

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value. (Cont'd)

	Separate financial statements			Total carrying amount / Fair value Baht
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	
<b>31 December 2020</b>				
<i>Financial assets measured at fair value</i>				
Financial assets at FVPL	6,425	-	-	6,425
	6,425	-	-	6,425
<i>Financial assets not measured at fair value</i>				
Cash and cash equivalents	-	-	1,219,695,209	1,219,695,209
Trade and other receivables, net	-	-	84,647	84,647
Amounts due from related parties	-	-	127,808,945	127,808,945
Other current assets	-	-	42,900	42,900
Long-term loans to related parties	-	-	3,252,692,162	3,252,692,162
Other non-current assets	-	-	815,760	815,760
	-	-	4,601,139,623	4,601,139,623
<i>Financial liabilities not measured at fair value</i>				
Trade and other payables	-	-	20,552,065	20,552,065
Amounts due to related parties	-	-	29,175,008	29,175,008
Current portion of long-term borrowings, net	-	-	324,477,342	324,477,342
Current portion of lease liabilities, net	-	-	982,217	982,217
Long-term borrowings, net	-	-	324,618,724	324,618,724
Lease liabilities, net	-	-	1,085,085	1,085,085
	-	-	700,890,441	700,890,441

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**8 Fair value (Cont'd)**

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value. (Cont'd)

	Separate financial statements			
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amotised cost Baht	Total carrying Amount / Fair value Baht
<b>1 January 2020</b>				
<i>Financial asses measured at fair value</i>				
Financial assets at FVPL	-	-	-	-
	-	-	-	-
<i>Financial asses not measured at fair value</i>				
Cash and cash equivalents	-	-	1,730,962,368	1,730,962,368
Trade and other receivables, net	-	-	111,535	111,535
Amount due from related parties	-	-	25,611,388	25,611,388
Long-term loans to related parties	-	-	938,965,871	938,965,871
Other non-current assets	-	-	815,760	815,760
	-	-	2,696,466,922	2,696,466,922
<i>Financial liabilities not measured at fair value</i>				
Trade and other payables	-	-	74,844,113	74,844,113
Amount due to related parties	-	-	9,013,729	9,013,729
Long-term borrowings, net	-	-	648,551,921	648,551,921
Lease liabilities, net	-	-	1,968,953	1,968,953
	-	-	734,378,716	734,378,716

The following table presents fair value of financial assets and liabilities recognised or disclosed by their fair value hierarchy.

	Consolidated financial statements							
	Level 1		Level 2		Total		Carrying amount	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Assets</b>								
Debt investments	93,931,001	155,766,423	-	-	93,931,001	155,766,423	93,931,001	155,766,423
<b>Total assets</b>	<b>93,931,001</b>	<b>155,766,423</b>	<b>-</b>	<b>-</b>	<b>93,931,001</b>	<b>155,766,423</b>	<b>93,931,001</b>	<b>155,766,423</b>
<b>Liabilities</b>								
Interest rate swap	-	-	35,617,437	-	35,617,437	-	35,617,437	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>35,617,437</b>	<b>-</b>	<b>35,617,437</b>	<b>-</b>	<b>35,617,437</b>	<b>-</b>

  

	Separate financial statements					
	Level 1		Total		Carrying amount	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Assets</b>						
Debt investments	6,425	-	6,425	-	6,425	-
<b>Total assets</b>	<b>6,425</b>	<b>-</b>	<b>6,425</b>	<b>-</b>	<b>6,425</b>	<b>-</b>

## 8 Fair value (Cont'd)

The following table presents non-financial assets that are measured at fair value:

	Consolidated financial statements			
	Level 3		Total	
	2020	2019	2020	2019
<b>Assets</b>				
Investment properties	804,683,432	568,080,273	804,683,432	568,080,273
<b>Total non-financial assets measured at fair value</b>	<b>804,683,432</b>	<b>568,080,273</b>	<b>804,683,432</b>	<b>568,080,273</b>

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.

Fair value measurement of financial assets and liabilities aligns with accounting policies disclosed in Note 6.7 and Note 6.15.

There were no transfer between levels of fair value hierarchy during the year.

### *The Group's valuation processes*

Chief Financial Officer (CFO), Audit Committee (AC) and a valuation team discuss valuation processes and results at least every quarter.

Significant unobservable input of fair value hierarchy level 3 for non-financial assets are disclosed in Note 13.

## 9 Critical accounting 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.

### **Goodwill impairment**

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in Note 20. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

### **Investments property**

The fair value of investment property is carried base on valuations by independent valuers. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash out flows that could be expected in respect of the property. The discount reflects current market assessments of the time value of the money (Note 18).

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**10 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.

	<b>Consolidated financial statement</b>			
	<b>For the year ended 31 December 2020</b>			
	<b>Hospitality business - Inbound Baht</b>	<b>Hospitality business - Outbound * Baht</b>	<b>Others ** Baht</b>	<b>Total Baht</b>
Segment revenue	329,746,209	1,234,253,303	554,649,702	2,118,649,214
Intersegment revenue	(823,503)	(273,402)	(73,972,192)	(75,069,097)
Revenue from external customers	328,922,706	1,233,979,901	480,677,510	2,043,580,117
<b>Timing of revenue recognition</b>				
At a point in time	328,922,706	1,233,979,901	449,972,265	2,012,874,872
Over time	-	-	30,705,245	30,705,245
Total revenue	328,922,706	1,233,979,901	480,677,510	2,043,580,117
Loss before income taxes	(237,393,671)	(1,974,537,487)	(162,486,196)	(2,374,417,354)
Income tax expenses				3,747,670
Loss for the year				(2,370,669,684)

\* means hospitality business under hotel management agreement and hospitality business under Crossroad project

\*\* means hospitality business under joint venture agreement and investment in other holding companies.

	<b>Consolidated financial statement</b>			
	<b>For the year ended 31 December 2019</b>			
	<b>Hospitality business - Inbound Baht</b>	<b>Hospitality business - Outbound * Baht</b>	<b>Others ** Baht</b>	<b>Total Baht</b>
Segment revenue	995,144,508	2,443,880,130	656,787,918	4,095,812,556
Intersegment revenue	(145,894)	-	(57,522,062)	(57,667,956)
Revenue from external customers	994,998,614	2,443,880,130	599,265,856	4,038,144,600
<b>Timing of revenue recognition</b>				
At a point in time	994,998,614	2,443,880,130	537,856,348	3,976,735,092
Over time	-	-	61,409,508	61,409,508
Total revenue	994,998,614	2,443,880,130	599,265,856	4,038,144,600
Profit (loss) before income taxes	147,495,145	89,882,134	(564,396,802)	(327,019,523)
Income tax expenses				(139,834,862)
Loss for the year				(466,854,385)

\* 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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**10 Segment information (Cont'd)**

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

	<b>Consolidated financial statement</b>			
	<b>As at 31 December 2020</b>			
	<b>Hospitality business - Inbound Baht</b>	<b>Hospitality business - Outbound * Baht</b>	<b>Others ** Baht</b>	<b>Total Baht</b>
Segment assets	5,605,130,785	20,007,426,094	23,798,971,932	49,411,528,810
Intersegment assets	(2,050,243,507)	(47,809,647)	(20,196,207,174)	(22,294,260,328)
<b>Total</b>	<b>3,554,887,278</b>	<b>19,959,616,447</b>	<b>3,602,764,758</b>	<b>27,117,268,482</b>

\* means hospitality business under hotel management agreement and hospitality business under Crossroads project.

\*\* means hospitality business under joint venture agreement and investment in order other holding companies.

	<b>Consolidated financial statement</b>			
	<b>As at 31 December 2019</b>			
	<b>Hospitality business - Inbound Baht</b>	<b>Hospitality business - Outbound * Baht</b>	<b>Others ** Baht</b>	<b>Total Baht</b>
Segment assets	5,853,050,549	11,232,148,550	34,183,091,917	51,268,291,016
Intersegment assets	(2,043,363,114)	(45,243,059)	(20,018,040,868)	(22,106,647,041)
<b>Total</b>	<b>3,809,687,435</b>	<b>11,186,905,491</b>	<b>14,165,051,049</b>	<b>29,161,643,975</b>

\* 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.

**Impact on segment disclosures**

Segment assets are all increased as a result of the change in accounting policies as follows:

	<b>Consolidated financial statements</b>		
	<b>Segment assets</b>		
	<b>Previously reported Baht</b>	<b>Reclassifications and adjustments Baht</b>	<b>Segment assets Restated Baht</b>
<b>1 January 2020</b>			
Hospitality business - Inbound	3,809,687,435	15,273,507	3,824,960,942
Hospitality business - Outbound *	11,186,905,491	368,627,591	11,555,533,082
Others **	14,165,051,049	638,125,480	14,803,176,529
<b>Total</b>	<b>29,161,643,975</b>	<b>1,022,026,578</b>	<b>30,183,670,553</b>

\* means hospitality business under hotel management agreement and hospitality business under Crossroads project.

\*\* means hospitality business under joint venture agreement and investment in order other holding companies.

## 11 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash	26,173,490	7,361,879	25,000	25,000
Bank deposits	2,466,483,508	3,584,244,203	1,219,670,209	1,730,937,368
Cash and cash equivalents	2,492,656,998	3,591,606,082	1,219,695,209	1,730,962,368

The interest rate of bank deposit was 0.01% to 1.50% per annum (2019 : 0.01% to 1.50% per annum).

## 12 Trade and other receivables, net

### 12.1 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade accounts receivable	119,999,024	250,019,024	-	-
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(82,499,248)	(2,889,052)	-	-
Trade accounts receivable, net	37,499,776	247,129,972	-	-
Accrued income	84,316	335,719	84,188	-
Other receivables	14,714,999	40,366,634	459	111,535
Trade and other receivables, net	52,299,091	287,832,325	84,647	111,535

### 12.2 Impairments of trade receivables

The loss allowance for trade receivables was determined as follows:

	Consolidated financial statements				
	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	Total Baht
<b>As of 1 January 2020 (under TAS 101)</b>					
Gross carrying amount - trade receivables	214,154,034	20,610,753	15,254,237	-	250,019,024
Loss allowance	-	-	(2,889,052)	-	(2,889,052)
<b>As of 31 December 2020</b>					
Gross carrying amount - trade receivables	42,489,963	4,172,634	69,094,125	4,242,302	119,999,024
Loss allowance	(5,231,590)	(3,373,631)	(69,774,354)	(4,119,673)	(82,499,248)

## 12 Trade and other receivables, net (Cont'd)

### 12.2 Impairments of trade receivables (Cont'd)

The reconciliations of loss allowance for trade receivables for the year ended 31 December are as follows:

	<b>Consolidated financial statements</b>	
	<b>Trade receivables</b>	
	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
<b>As of 1 January - calculated under TAS 101</b>	2,889,052	209,094
Opening loss allowance as at 1 January 2020 - calculated under TFRS 9 (2019: TAS 101)	2,889,052	209,094
Increase in loss allowance recognised in profit or loss during the year (2019: TAS 101)	93,143,069	2,679,958
Receivable written off during the year as uncollectible	(3,400,028)	-
Currency translation differences	(10,132,845)	-
<b>As of 31 December - calculated TFRS 9 (2019 under TAS 101)</b>	<b>82,499,248</b>	<b>2,889,052</b>

## 13 Financial assets and financial liabilities

As at 31 December 2020, classification of the Group's financial assets and liabilities disclosed in Note 8.

### 13.1 Other financial assets at amortised cost

#### a) Classification of financial assets at amortised cost (2019 amortised cost)

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

#### b) Fair values of other financial assets at amortised cost

Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

As at 31 December 2020, the fair value of loans to related parties approximately equals their carrying amount, as the impact of discount is not significant. They are classified as level 3 fair values.

#### c) Loss allowance

Information related to loss allowance and credit risk of the Group is disclosed in Note 7.

### 13.2 Financial assets at fair value through profit or loss

The Group classifies debt investments that do not qualify for measurement at either amortised cost or FVOCI as financial assets at fair value through profit or loss (FVPL) (2019 fair value / cost under TAS 105).

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**14 Inventories**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Food and beverages	41,089,140	59,261,474	-	-
Supplies used in operation	114,357,478	205,766,755	-	-
Finished goods	20,315,124	37,481,035	-	-
Inventories	175,761,742	302,509,264	-	-

The Group recognised inventories as costs of the operation in the consolidated financial statements of comprehensive income of Baht 286 million (2019: Baht 486 million).

**15 Other current assets**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Undue input vat	38,824,249	6,907,938	1,222,123	1,006,270
Prepaid expenses	104,853,855	122,891,899	2,409,699	1,862,137
Deposits	4,099,340	15,408,207	42,900	-
Leasehold rights	-	49,737,559	-	-
Withholding tax deducted at source	214,631	195,587	-	-
Prepaid corporate income tax	1,784,141	4,702,434	-	-
Vat refundable	212,048,898	267,610,406	25,982,187	19,889,035
Others	2,536,631	13,811,184	-	-
Other current assets	364,361,745	481,265,214	29,656,909	22,757,442

**16 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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
An associate	12,716,320	20,863,794	-	-
Joint ventures	79,257,188	236,291,766	-	-
	91,973,508	257,155,560	-	-

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**16 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 At equity method		Separate financial statements At cost method	
			2020	2019	2020	2019	2020	2019
Laguna Service Co., Ltd.	Provide support hotel service	Thailand	27	27	12,716,320	20,863,794	-	-
					12,716,320	20,863,794	-	-

**Joint ventures**

Name	Nature of business	Place of Business/country of incorporation	% of ownership interest		Consolidated financial statements At equity method		Separate financial statements At cost method	
			2020	2019	2020	2019	2020	2019
FS JV CO LIMITED	Holding company	United Kingdom	50	50	-	160,980,860	-	-
FS JV LICENSE LIMITED	Holding company	United Kingdom	50	50	59,247,824	75,310,876	-	-
SHR Offshore Holding Co., Ltd. (Former named SW Development Holding Co., Ltd. and Prime location Management 4 Ltd. )	Holding company	The Republic of Seychelles	-	50	-	30	-	-
Prime Location Management 3 Ltd.	Holding company	The Republic of Seychelles	50	-	20,009,364	-	-	-
					79,257,188	236,291,766	-	-

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

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

**Joint ventures (Cont'd)**

**Change in investment in joint ventures**

Prime Locations Management 3 Ltd.

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 and recognised gain from disposal of investment in a subsidiary amounting to US Dollar 10.7 million or equivalent to Baht 333.09 million in profit or loss. Then Dream Islands Development 2 Private Limited (DID2) entered into a sublease agreement to sublease the right-of-use of land in Maldives to Dream Islands Development 3 Private Limited (DID3), a subsidiary of PLM3, and recognised gain from disposal of right-of-use amounting to US Dollar 3 million or equivalent to Baht 96.54 million in profit or loss.

SHR Offshore Holding Co., Ltd.

On 28 February 2020, Wai Eco World Developer Pte. Ltd. transferred 1 share of SHR Offshore Holdings Co., Ltd. (SHOH) to S Hotels and Resorts (SC) Co., Ltd. (SHC) resulted in the change in shareholding percentage in SHOH to be a subsidiary of the Group with SHC as the major shareholder.

As at 31 December 2020, the Group has no future aggregate minimum lease payments under non-cancellable operating leases of joint ventures, based on the percentage of interest (2019: GBP 95.3 million).

16 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

	FS JV CO LIMITED		FS JV LICENSE LIMITED		Prime Location Management 3 Ltd.	Total	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2020 Baht	2019 Baht
<b>Current assets</b>							
Cash and cash equivalent	68,455,822	311,798,192	39,897,964	42,965,951	40,788,374	149,142,160	354,764,143
Other current assets	254,360,932	364,087,299	22,283,899	33,659,693	185,519	276,830,350	397,746,922
Total current assets	322,816,754	675,885,491	62,181,863	76,625,644	40,973,893	425,972,510	752,510,065
<b>Non-current assets</b>							
Non-current assets	6,668,242,664	6,653,747,496	436,171,638	435,714,254	499,223,737	7,603,638,039	7,089,461,750
Total Non-current assets	6,668,242,664	6,653,747,496	436,171,638	435,714,254	499,223,737	7,603,638,039	7,089,461,750
<b>Current liabilities</b>							
Trade accounts payable and other current liabilities	(5,565,978,119)	(5,321,802,734)	(88,962,958)	(75,849,098)	(31,891,817)	(5,686,832,894)	(5,397,651,832)
Financial liabilities	-	-	-	-	-	-	-
Total current liabilities	(5,565,978,119)	(5,321,802,734)	(88,962,958)	(75,849,098)	(31,891,817)	(5,686,832,894)	(5,397,651,832)
<b>Non-current liabilities</b>							
Financial liabilities	(1,789,367,781)	(1,481,867,959)	-	(285,869,032)	(60,074,200)	(1,849,441,981)	(1,767,736,991)
Other non-current liabilities	(303,401,419)	(232,361,354)	(290,894,895)	-	(218,778,673)	(813,074,987)	(232,361,354)
Total non-current liabilities	(2,092,769,200)	(1,714,229,313)	(290,894,895)	(285,869,032)	(278,852,873)	(2,662,516,968)	(2,000,098,345)
<b>Net assets</b>	(667,687,901)	293,600,940	118,495,648	150,621,768	229,452,940	(319,739,313)	444,222,708

16 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

	FS JV CO LIMITED		FS JV LICENSE LIMITED		Prime Location Management 3 Ltd.	Total	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2020 Baht	2019 Baht
Revenues	1,247,570,546	3,334,021,448	96,551,899	207,720,208	253,841	1,344,376,286	3,541,741,656
Cost of sales	(707,105,047)	(1,515,900,348)	(60,703,393)	(109,150,358)	-	(767,808,440)	(1,625,050,706)
Operating expenses	(1,193,473,029)	(1,462,795,194)	(58,707,587)	(74,672,217)	(9,541,173)	(1,261,721,789)	(1,537,467,411)
Interest expenses	(285,140,950)	(275,131,242)	(9,342,911)	(11,684,172)	(10,504,163)	(304,988,024)	(286,815,414)
Profit (loss) from continuing operations	(938,148,480)	80,194,664	(32,201,992)	12,213,461	(19,791,495)	(990,141,967)	92,408,125
Income tax	(7,705,812)	(48,587,084)	-	-	-	(7,705,812)	(48,587,084)
Post-tax profit (loss) from continuing operations	(945,854,292)	31,607,580	(32,201,992)	12,213,461	(19,791,495)	(997,847,779)	43,821,041
Other comprehensive income (expense)	(15,434,548)	(7,826,918)	75,872	(5,880,542)	16,774,380	1,415,704	(13,707,460)
Total comprehensive income (expense)	(961,288,840)	23,780,662	(32,126,120)	6,332,919	(3,017,114)	(996,432,075)	30,113,581

16 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		Prime Location Management 3 Ltd.	Total	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2020 Baht	2019 Baht
<b>Opening net assets</b>	293,600,939	269,820,277	150,621,768	144,288,849	-	444,222,707	414,109,126
Additions	-	-	-	-	232,470,055	232,470,055	-
Profit (loss) for the year	(945,854,292)	31,607,580	(32,201,992)	12,213,461	(19,791,495)	(997,847,779)	43,821,041
Other comprehensive income (expense)	(15,434,548)	(7,826,918)	75,872	(5,880,542)	16,774,380	1,415,704	(13,707,460)
<b>Closing net assets</b>	(667,687,901)	293,600,939	118,495,648	150,621,768	229,452,940	(319,739,313)	444,222,707
Interest in joint ventures	50%	50%	50%	50%	50%		
<b>Carrying value before adjust</b>	-	146,800,470	59,247,824	75,310,876	114,726,470	173,974,294	222,111,346
Goodwill	-	14,180,390	-	-	-	-	14,180,390
Elimination of gain on disposal of right-of-use of assets	-	-	-	-	(94,717,106)	(94,717,106)	-
<b>Carrying value</b>	-	160,980,860	59,247,824	75,310,876	20,009,364	79,257,188	236,291,736

**16 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.

	2020 Baht	2019 Baht
<b>Aggregate carrying amount of individually immaterial an associate and a joint venture</b>	<b>12,716,320</b>	<b>20,863,824</b>
<b>The Group's share of:</b>		
Loss from continuing operations	8,264,010	20,246,757

**17 Investments in subsidiaries**

As at 31 December, investments in subsidiaries are as follows:

	<b>Separate financial statements</b>	
	<b>At cost method</b>	
	2020 Baht	2019 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.	5,823,939,031	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
S Hotels and Resorts Management Co., Ltd.	4,999,925	-
Laguna Paradise Co., Ltd.	999,980	-
	<b>16,835,649,210</b>	<b>19,065,876,905</b>

On 11 November 2020, S Hotels and Resorts APAC (SG) Pte. Ltd. (SHAS), reduced its shares by means of shares reduction to restructure the capital structure and manage capital efficient of US Dollar 68 million. The Company received the share reduction in the amount of US Dollar 66 million.

On 15 October and 16 October 2020, the Company invested in subsidiaries which are S Hotels and Resorts Management Co., Ltd. and Laguna Paradise Co., Ltd. for 199,997 shares at 25% of Baht 100 per share, totalling Baht 5 million and 99,988 shares at Baht 10 per share, totalling Baht 0.9 million.

As at 31 December 2020, the Group used investments in subsidiaries, which the net book value totalling to Baht 6,142 million and US Dollar 183 million (2019: Baht 5,769 million and US Dollar 5,999 million), as collaterals in order to pledge the long-term borrowings from financial institutions (Note 23).

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**17 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.

Name	Place of business/ 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	
			2020 (%)	2019 (%)	2020 (%)	2019 (%)	2020 (%)	2019 (%)
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 Management Co., Ltd.	Thailand	Management of domestic and foreign hotels	99.99	-	-	-	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	-	-
OTRG APAC Holdings, LLC	Cayman Islands	Holding company	-	-	-	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	-	-
LBR LLC	United State of America	Holding company	-	-	-	100.00	-	-
AREH II LLC	United State of America	Holding company	-	-	-	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	-	-
SHR Global Holdings II LLC	United State of America	Holding company	-	-	100.00	100.00	-	-
Hillview Global Pte Limited	The Republic of Fiji	Holding company	-	-	100.00	100.00	-	-
OC Pte Limited	The Republic of Fiji	Hospitality	-	-	99.00	100.00	-	-
OH Pte Limited	The Republic of Fiji	Holding company	-	-	99.00	100.00	-	-
OHH (Fiji) Pte Limited	The Republic of Fiji	Holding company	-	-	100.00	100.00	-	-
Hillview Pte Limited	The Republic of Fiji	Hospitality	-	-	100.00	100.00	-	-
Saltlake Resorts Limited	The Republic of Mauritius	Hospitality	-	-	100.00	100.00	-	-
O.K.M Private Limited	The Republic of Maldives	Hospitality	-	-	99.00	100.00	-	-
Castleton Hotels & Resorts PTE. LTD.	Singapore	Holding company	-	-	-	100.00	-	-

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**17 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)

Name	Place of business/ 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	
			2020 (%)	2019 (%)	2020 (%)	2019 (%)	2020 (%)	2019 (%)
Madison Offshore (Thailand) Co., Ltd.	Thailand	Holding company	-	-	-	100.00	-	-
Na Nimmann Co., Ltd.	Thailand	Hospitality	-	-	99.98	100.00	-	-
Laguna Beach Development Co., Ltd.	Thailand	Holding company	-	-	100.00	100.00	-	-
Laguna Phuket Club Co., Ltd.	Thailand	Hospitality	-	-	99.00	100.00	-	-
Laguna Paradise Co., Ltd.	Thailand	Holding company	99.99	-	-	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	-	-
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	-	-	50.00	100.00	-	-
Dream Islands Development 3 Pvt. Ltd.	The Republic of Maldives	Hospitality	-	-	50.00	100.00	-	-
SHR Offshore Holdings Co., Ltd. (Former named Prime location Management 4 Ltd. )	The Republic of Seychelles	Holding company	-	-	100.00	50.00	-	50.00

All subsidiaries undertaking are included in the consolidation.

**18 Investments properties**

	Consolidated financial statements		
	Right-of-use assets	Building and building improvement	Total
	Baht	Baht	Baht
<b>As at 1 January 2019</b>			
Transfer from property, plant and equipment	-	584,914,946	584,914,946
Currency translation differences	-	(16,834,673)	(16,834,673)
<b>As at 1 January 2020</b>			
Transfer from property, plant and equipment	78,099,311	298,630,330	376,729,641
Adjustment	-	(38,559,116)	(38,559,116)
Currency translation differences	(1,551,526)	(12,467,810)	(14,019,336)
Net gain (loss) from fair value adjustments	2,375,873	(89,923,903)	(87,548,030)
<b>As at 31 December 2020</b>	<b>78,923,658</b>	<b>725,759,774</b>	<b>804,683,432</b>

The Group's investment properties were valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

Valuation of investment properties was classified as fair value in Level 3 based on information use in valuation technique which is comparable to the current price.

Valuation technique and principal unobservable input use in measuring fair value of investment properties were as follows:

Valuation techniques

- Discount projected of operation cash flows  
Fair values are assessed by present values of operation cash flow from assets, which is calculated from expected rental rate and net cashflows, using the risk-adjusted discount rate.
- Income approach

Principal unobservable inputs

- Occupancy rate (63.44% to 100%)
- Rental rate throughout the remaining lease agreement
- Risk-adjusted discount rate (12%)

The association of unobservable input with fair values

Estimated valuation of fair value will increase (decrease), if:

- Occupancy rate increase (decrease)
- Market rental rate increase (decrease)
- Risk adjusted discount rate decrease (increase)

There were no transfers between levels of fair value hierarchy during the year.

As at 31 December 2020 and 2019, the Group used entire investment properties as collaterals in order to pledge the long-term borrowings from financial institutions (Note 23).

**18 Investments properties (Cont'd)**

Amounts recognised in profit or loss that are related to investment properties are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Rental income	13,122,315	15,878,688	-	-
Direct operating expense that generated rental income	12,046,257	18,531,661	-	-
Direct operating expense that did not generate rental income	24,873,817	16,596,776	-	-

As at 31 December the Group has right-of-use assets for the leases of land that are classified as investment properties as follows:

	<b>Consolidated financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>
Lands	78,923,658	-
Total cash outflows for leases	1,527,127	-

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**19 Property, plant and equipment, net**

	Consolidated financial statements						
	Land Baht	Land improvements Baht	Building and building improvements Baht	Furnitures, fixtures and office equipments Baht	Vehicles Baht	Construction in progress Baht	Total Baht
<b>At 1 January 2019</b>							
Cost	5,460,900,861	189,035,900	6,984,607,667	2,021,793,670	53,404,063	4,563,759,590	19,273,501,751
<u>Less</u> Accumulated depreciation	-	(41,341,168)	(1,494,386,406)	(1,388,670,814)	(27,613,307)	-	(2,952,011,695)
Net book amount	5,460,900,861	147,694,732	5,490,221,261	633,122,856	25,790,756	4,563,759,590	16,321,490,056
<b>Year ended 31 December 2019</b>							
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	16,321,490,056
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)	(905,214,252)
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
<b>At 31 December 2019</b>							
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
<u>Less</u> 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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	Consolidated financial statements							
	Land Baht	Land improvements Baht	Building and building improvements Baht	Furnitures, fixtures and office equipments Baht	Vehicles Baht	Construction in progress Baht	Right-of-use assets Baht	Total Baht
<b>At 1 January 2020</b>	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
Adjustments from change in accounting policy (Note 5)	-	-	-	-	-	-	2,696,459,264	2,696,459,264
Net book amount	5,260,665,298	202,370,028	12,109,400,138	1,049,235,253	32,856,359	114,070,686	2,696,459,264	21,465,057,026
<b>Year ended 31 December 2020</b>								
Opening net book amount	5,260,665,298	202,370,028	12,109,400,138	1,049,235,253	32,856,359	114,070,686	2,696,459,264	21,465,057,026
Additions	-	1,046,298	11,569,409	65,924,827	18,932,009	116,404,553	70,133,191	284,010,287
Transfer in (out)	-	1,009,741	(158,016,309)	(94,678,361)	162,354	(44,744,867)	(78,099,311)	(374,366,753)
Disposal of right-of-use of assets, net	-	-	-	-	-	-	(187,071,675)	(187,071,675)
Write-offs and disposals, net	-	-	(96,641,056)	(1,235,585)	(186,583)	(1,710,000)	-	(99,773,224)
Depreciation charge	-	(22,252,052)	(504,243,858)	(373,400,981)	(9,814,315)	-	(65,208,998)	(974,920,204)
Currency translation differences	(6,094,693)	207,571	(10,248,143)	(7,846,585)	(557,419)	1,104,960	(487,725)	(23,922,034)
Adjustment	-	-	(753,043,359)	431,137,704	-	3,894,991	-	(318,010,664)
Adjustment for impairment assets	-	-	(482,268,406)	-	-	-	-	(482,268,406)
Closing net book amount	5,254,570,605	182,381,586	10,116,508,416	1,069,136,272	41,392,405	189,020,323	2,435,724,746	19,288,734,353
<b>At 31 December 2020</b>								
Cost	5,254,570,605	262,025,792	12,887,567,329	2,909,998,794	87,685,661	189,020,323	2,608,160,876	24,199,029,380
Less Accumulated depreciation	-	(79,644,206)	(2,289,742,337)	(1,840,862,522)	(46,293,256)	-	(172,436,130)	(4,428,978,451)
Less Accumulated impairment	-	-	(481,316,576)	-	-	-	-	(481,316,576)
Net book amount	5,254,570,605	182,381,586	10,116,508,416	1,069,136,272	41,392,405	189,020,323	2,435,724,746	19,288,734,353

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**19 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	Right-of-use assets Baht	
<b>At 1 January 2019</b>					
Cost	-	-	-	-	-
<u>Less</u> Accumulated depreciation	-	-	-	-	-
Net book amount	-	-	-	-	-
<b>Year ended 31 December 2019</b>					
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
<b>At 31 December 2019</b>					
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
<b>At 1 January 2020</b>	820,722	1,524,600	1,080,000	-	3,425,322
Adjustments from change in accounting policy (Note 5)	-	-	-	2,914,784	2,914,784
Net book amount	820,722	1,524,600	1,080,000	2,914,784	6,340,106
<b>Year ended 31 December 2020</b>					
Opening net book amount	820,722	1,524,600	1,080,000	2,914,784	6,340,106
Additions	37,500	415,500	630,000	-	1,083,000
Write-offs and disposals, net	-	-	(1,710,000)	-	(1,710,000)
Depreciation charge	(90,269)	(527,407)	-	(1,012,476)	(1,630,152)
Closing net book amount	767,953	1,412,693	-	1,902,308	4,082,954
<b>At 31 December 2020</b>					
Cost	916,529	2,233,663	-	2,914,784	6,064,976
<u>Less</u> Accumulated depreciation	(148,576)	(820,970)	-	(1,012,476)	(1,982,022)
Net book amount	767,953	1,412,693	-	1,902,308	4,082,954

During 2020, the Group recognised loss on impairment of particular assets categories for outbound hospitality business. Therefore, the Group realised loss on impairment in accordance with the net book value amounting Baht 482.27 million under administrative expenses in statement of comprehensive income for the year ended 31 December 2020.

As at 31 December 2020, the Group uses land, building and right-of-use assets of Baht 15,988.46 million (2019: Baht 16,232.99 million) as collaterals in order to pledge the long-term borrowings from financial institutions (Note 23).

For the Group, depreciation expense of Baht 660,419,218 and Baht 314,500,986 has been charged in cost of services and administrative expenses, respectively (2019: Baht 617,371,301 and Baht 12,782,426, respectively). For the Company, depreciation expense of Baht 1,630,152 has been charged in administrative expenses (2019: Baht 351,870).

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**19 Property, plant and equipment, net (Cont'd)**

As at 31 December 2020, the net book value of right-of-use assets has been included in property, plant and equipment are as follows:

	<b>Consolidated</b>	<b>Separate</b>
	<b>financial statements</b>	<b>financial statements</b>
	<b>Baht</b>	<b>Baht</b>
Land	2,431,902,168	-
Buildings and building improvement	2,183,954	1,763,216
Furniture, fixtures and office equipments	1,638,624	139,092
	<b>2,435,724,746</b>	<b>1,902,308</b>
Total cash outflow for leases	38,235,263	940,852

As at 31 December 2020, right-of-use asset balance are as follows:

	<b>Consolidated financial statements</b>			
	<b>Land</b>	<b>Buildings and building improvements</b>	<b>Furniture, fixtures and office equipment</b>	<b>Total</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Balance as at 1 January 2020 (Note 5)	2,692,223,940	3,055,950	1,179,374	2,696,459,264
Additions	68,554,953	465,198	1,113,040	70,133,191
Transfer out	(78,099,311)	-	-	(78,099,311)
Disposal of right-of-use of assets, net	(187,071,675)	-	-	(187,071,675)
Depreciation	(63,218,014)	(1,337,194)	(653,790)	(65,208,998)
Translation adjustments	(487,725)	-	-	(487,725)
Balance as at 31 December 2020	<b>2,431,902,168</b>	<b>2,183,954</b>	<b>1,638,624</b>	<b>2,435,724,746</b>

  

	<b>Separate financial statements</b>		
	<b>Buildings and building improvement</b>	<b>Furniture, fixtures and office equipment</b>	<b>Total</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Balance as at 1 January 2020 (Note 5)	2,727,846	186,938	2,914,784
Depreciation	(964,630)	(47,846)	(1,012,476)
Balance as at 31 December 2020	<b>1,763,216</b>	<b>139,092</b>	<b>1,902,308</b>

**19 Property, plant and equipment, net (Cont'd)**

During 2020, the Group recognises loss from impairment of goodwill for hospitality business outbound of Baht 85.61 million. The outbreak of COVID-19 has adverse effects on operating. As a result, operating profit/revenue significantly drop. The carrying amount of the segment has been reduced to its recoverable amount. Loss from impairment of goodwill was reduced in administrative expense in the consolidated comprehensive income for the year.

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, and estimate terminal value. The weighted 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:

	2020	2019
Weighted growth rate	3%	3%
Discount rate	7.13% to 12%	7.35% to 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.

If the assumptions used in calculation on impairment test for goodwill changes, the growth rate decrease by 0.5% per annum or discount rate increase by 0.5% per annum, there is still no impairment of goodwill.

**20 Goodwill**

	<b>Consolidated financial statements</b>	
	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>
<b>At 1 January</b>		
Cost	1,111,701,701	1,207,972,046
<u>Less</u> Provision for impairment	-	-
<b>Net book amount</b>	<b>1,111,701,701</b>	<b>1,207,972,046</b>
<b>For the year ended 31 December</b>		
Opening net book amount	1,111,701,701	1,207,972,046
Impairment charge	(85,609,891)	-
Currency translation differences	(3,174,742)	(96,270,345)
<b>Closing net book amount</b>	<b>1,022,917,068</b>	<b>1,111,701,701</b>
<b>At 31 December</b>		
Cost	1,108,357,994	1,111,701,701
<u>Less</u> Allowance for impairment	(85,440,926)	-
<b>Net book amount</b>	<b>1,022,917,068</b>	<b>1,111,701,701</b>

## 20 Goodwill

During 2020, the Group recognises loss from impairment of goodwill for hospitality business outbound of Baht 85.61 million. The outbreak of COVID-19 has adverse effects on operating. As a result, operating profit/revenue significantly drop. The carrying amount of the segment has been reduced to its recoverable amount. Loss from impairment of goodwill was reduced in administrative expense in the consolidated comprehensive income for the year.

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.

	<b>Consolidated financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>Goodwill allocation:</b>		
Hospitality business - Inbound	249,202,677	249,202,677
Hospitality business - Outbound	773,714,391	862,499,024
<b>Net book amount</b>	<b>1,022,917,068</b>	<b>1,111,701,701</b>

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 and cash flow beyond the five-year period to calculate the terminal value which are approved by the management. The projections are weighted average growth rates stated below. The weighted average 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:

	<b>2020</b>	<b>2019</b>
Weighted average growth rate	3%	3%
Discount rate	7.22%	7.22%

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.

If the assumptions used in calculation on impairment test for goodwill changes, the growth rate decrease by 0.5% per annum or discount rate increase by 0.5% per annum, there is still no impairment of goodwill.

## 21 Deferred income taxes

Deferred income tax presented in the statements of financial position comprised of:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Deferred income tax assets	38,541,155	36,748,694	947,604	326,639
Deferred income tax liabilities	(743,720,310)	(806,386,886)	-	-
Deferred income tax, net	<b>(705,179,155)</b>	<b>(769,638,192)</b>	<b>947,604</b>	<b>326,639</b>

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**21 Deferred income taxes (Cont'd)**

The analysis of deferred income tax assets and liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Deferred income tax assets:</b>				
Deferred income tax asset to be recovered within 12 months	-	-	-	-
Deferred income tax asset to be recovered after more than 12 months	76,272,950	33,047,968	973,362	333,092
	<u>76,272,950</u>	<u>33,047,968</u>	<u>973,362</u>	<u>333,092</u>
<b>Deferred income tax liabilities:</b>				
Deferred income tax liabilities to be settled within 12 months	(94,893)	(18,118)	-	-
Deferred income tax liabilities to be settled after more than 12 months	(781,357,212)	(802,668,042)	(25,758)	(6,453)
	<u>(781,452,105)</u>	<u>(802,686,160)</u>	<u>(25,758)</u>	<u>(6,453)</u>
Deferred income tax, net	<u>(705,179,155)</u>	<u>(769,638,192)</u>	<u>947,604</u>	<u>326,639</u>

The movement of the deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
At 31 December	(769,638,192)	(782,169,287)	326,639	-
Adjustments from changes in accounting policies (Note 5)	749,772	-	-	-
Increase (decrease) to profit or loss	52,648,311	(46,867,472)	620,965	326,639
Increase to other comprehensive income	4,592,844	20,737	-	-
Currency translation differences	6,468,110	59,377,830	-	-
At 31 December	<u>(705,179,155)</u>	<u>(769,638,192)</u>	<u>947,604</u>	<u>326,639</u>

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**21 Deferred income taxes (Cont'd)**

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
<b>Deferred income tax assets</b>							
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
Adjustments from changes in accounting policies (Note 5)	-	-	-	-	-	749,772	749,772
As at 1 January 2020	6,523,784	26,035,448	422,329	-	66,407	749,772	33,797,740
Increase (decrease) to profit or loss	(1,162,112)	-	-	19,231,763	310,289	202,694	18,582,634
Increase to other comprehensive income	-	-	-	-	-	4,592,844	4,592,844
Currency translation differences	(59,810)	-	(27,084)	(862,269)	-	157	(949,006)
As at 31 December 2020	5,301,862	26,035,448	395,245	18,369,494	376,696	5,545,467	56,024,212

  

	Consolidated financial statements				
	Re-measuring of fair value Baht	Depreciation Baht	Share profit from joint ventures Baht	Others Baht	Total Baht
<b>Deferred income tax liabilities</b>					
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)
As at 1 January 2020	(704,607,328)	(63,070,152)	(27,570,238)	(7,438,442)	(802,686,160)
Increase (decrease) to profit or loss	13,754,536	(8,924,813)	29,235,954	-	34,065,677
Currency translation differences	2,079,990	5,878,656	(250,310)	(291,220)	7,417,116
As at 31 December 2020	(688,772,802)	(66,116,309)	1,415,406	(7,729,662)	(761,203,367)

  

	Separate financial statements			
	Employee benefit obligation Baht	Share-based payment Baht	Others Baht	Total Baht
<b>Deferred tax assets</b>				
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
At 1 January 2020	266,685	66,407	-	333,092
Increase to profit or loss	321,731	310,289	8,250	640,270
At 31 December 2020	588,416	376,696	8,250	973,362

## 21 Deferred income taxes (Cont'd)

The movement in deferred income tax assets and liabilities is as follows (Cont'd):

	Separate financial statements	
	Depreciation Baht	Total Baht
<b>Deferred income tax liabilities</b>		
At 1 January 2019	-	-
Decrease to profit or loss	(6,453)	(6,453)
At 31 December 2019	(6,453)	(6,453)
At 1 January 2020	(6,453)	(6,453)
Decrease to profit or loss	(19,305)	(19,305)
At 31 December 2020	(25,758)	(25,758)

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 488.74 million in respect of losses amounting to Baht 2,052.52 million that can be carried forward against future taxable income. These loss carry forward will be expired in 2025.

## 22 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade accounts payable	197,853,476	335,735,160	-	-
Other payables	18,256,605	40,811,640	1,434,279	3,304,241
Accrued expenses	193,916,769	1,058,718,551	18,502,685	68,646,292
Unearned revenue	177,257,993	278,794,479	615,101	2,893,580
Trade and other payables	587,284,843	1,714,059,830	20,552,065	74,844,113

## 23 Borrowings

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Current</b>				
Current portion of long-term borrowings, net	2,628,923,371	382,101,159	324,477,342	-
Total current	2,628,923,371	382,101,159	324,477,342	-
<b>Non-current</b>				
Long-term borrowings, net	5,724,464,622	7,465,419,033	324,618,724	648,551,921
Total non-current	5,724,464,622	7,465,419,033	324,618,724	648,551,921
<b>Total borrowings, net</b>	<b>8,353,387,993</b>	<b>7,847,520,192</b>	<b>649,096,066</b>	<b>648,551,921</b>

**23 Borrowings (Cont'd)**

Movements of borrowings from financial institutions for the year ended 31 December are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
At 1 January	7,847,520,192	4,734,366,964	648,551,921	-
Borrowings during the year	576,124,416	4,169,267,271	-	650,000,000
Repayment	(93,644,442)	(865,752,485)	-	-
Increase in deferred financing fee	(3,755,241)	(20,253,556)	-	(1,625,000)
Amortisation of deferred financing fees	3,347,704	13,758	544,145	176,921
Unrealised gain on exchange rate	75,432,345	38,845,409	-	-
Currency translation differences	(51,636,981)	(208,967,169)	-	-
At 31 December	8,353,387,993	7,847,520,192	649,096,066	648,551,921

Borrowings of Baht 7,704 million (2019: Baht 7,199 million) are secured by the Group's land, buildings and shares of subsidiaries of the Group.

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**23 Borrowing (Cont'd)**

Long-term borrowings from financial institutions as at 31 December are detailed as follows:

No.	Credit facility	Payment term	Condition of borrowing		Consolidated financial statements		Separate financial statement	
			Secured by	Interest % per annum	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>S Hotels and Resorts Public Company Limited</b>								
1.	Baht 650,000,000	On quarterly basis from 31 May 2021 to 31 August 2022	Nil	MLR minus certain margin	649,096,066	648,551,921	649,096,066	648,551,921
<b>S Hotel Phi Phi Island Co., Ltd.</b>								
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	1,790,181,274	1,833,227,288	-	-
<b>Dream Islands Development 2 Private Limited</b>								
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	3,419,698,045	2,877,963,017	-	-
<b>S Hotels and Resorts APAC (SG) Pte. Ltd. and its subsidiaries</b>								
4.	USD 3,560,000	Quarterly basis within 31 December 2025	Land and buildings	LIBOR plus certain margin	94,682,664	94,973,132	-	-
5.	EUR 12,673,600	Quarterly basis within 31 December 2025	Land and buildings	LIBOR plus certain margin	413,444,608	379,228,231	-	-
6.	FJD 48,333,959	Monthly basis within 31 August 2022	Land and buildings	Published index rate minus certain margin	402,291,383	417,859,372	-	-
7.	FJD 16,140,457	Monthly basis within 31 July 2022	Land and buildings	Published index rate minus certain margin	219,802,360	219,605,252	-	-
8.	Baht 1,425,000,000	Quarterly basis within 31 March 2021	Land and buildings	MLR minus certain margin	1,364,191,593	1,376,111,979	-	-
Total long-term borrowings from financial institutions, net					8,353,387,993	7,847,520,192	649,096,066	648,551,921
<u>Less</u> Current portion of long-term borrowings, net					(2,628,923,371)	(382,101,159)	(324,477,342)	-
Long-term borrowings, net					5,724,464,622	7,465,419,033	324,618,724	648,551,921

Interest rate risk of borrowing for the Group and the Company is disclosed in Note 7 financial risk management.

**23 Borrowing (Cont'd)**

The effective interest rates at the statements of financial position date are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Borrowings from financial institutions	2.34% to 5.42%	3.01% to 7.34%	3.75%	3.75%

Maturities of borrowings are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Within 1 year	2,628,923,371	382,101,159	324,477,342	-
Later than 1 year but not later than 5 years	3,420,663,910	5,070,558,273	324,618,724	648,551,921
Later than 5 years	2,303,800,712	2,394,860,760	-	-
<b>Total borrowings</b>	<b>8,353,387,993</b>	<b>7,847,520,192</b>	<b>649,096,066</b>	<b>648,551,921</b>

**Borrowing facilities**

The Group have the following undrawn committed borrowing facilities:

	Consolidated financial statements (Original currency)					
	2020			2019		
	Baht	US Dollar	Fijian Dollar	Baht	US Dollar	Fijian Dollar
Floating rate						
- expiring within 1 year	-	8,857,610	-	-	-	-
- expiring beyond 1 year	40,000,000	5,589,749	16,750,698	302,465,000	24,000,000	16,750,698
<b>Total</b>	<b>40,000,000</b>	<b>14,447,359</b>	<b>16,750,698</b>	<b>302,465,000</b>	<b>24,000,000</b>	<b>16,750,698</b>

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**24 Share capital and premium on share capital**

	Consolidated and separate financial statements			
	Number of shares Shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
At 1 January 2019	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
Increase of share capital	-	-	-	-
At 31 December 2020	3,593,640,000	17,968,200,000	3,335,183,869	21,303,383,869

As at 31 December 2020, registered ordinary share of 3,593,640,000 shares (2019: 3,593,640,000 shares) at a par value of Baht 5 per share (2019: Baht 5 per share) were issued and fully paid up.

**25 Other income**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Interest income	144,146,856	119,912,758	59,782,108	24,441,662
Gains on sale of investment in a subsidiary	333,092,728	-	-	-
Gains on disposal of right-of-use of assets	96,543,003	-	-	-
Management fee	30,883,867	61,429,508	4,417,235	-
Gains on disposal of short-term investments	-	2,151,095	6,425	-
Others	48,112,693	16,292,725	1,517,355	315,244
Total	652,779,147	199,786,086	65,723,123	24,756,906

**26 Expense by nature**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost of services	319,403,922	737,332,449	-	-
Raw material and consumables used	68,467,700	100,984,428	-	-
Staff costs	976,041,015	1,229,900,329	115,346,417	73,762,514
Depreciation and amortisation	985,747,610	675,903,047	1,630,152	351,870
Marketing expenses	81,289,115	216,044,432	3,992,846	11,344,472
Operating lease payment	10,822,105	59,974,166	3,263,491	4,261,390
Repair and maintenance	82,626,732	84,948,356	58,357	122,943
Consulting fees	39,341,646	61,322,058	9,780,158	18,627,306
Losses on exchange rate	69,661,269	30,870,599	200,388,213	11,347,849
Services fees	104,029,900	181,990,633	25,016,882	11,252,293
Utilities expenses	129,788,665	177,257,826	512,384	612,374
Losses of written-off of fixed assets	7,668,782	13,179,555	1,710,000	-
Losses from impairment of assets	567,878,297	-	-	-
Losses from fair value adjustment for investment properties	87,548,030	-	-	-
Allowance for doubtful accounts	93,143,069	2,679,958	-	-
Losses of written-off of inventories	75,208,866	-	-	-

**27 Income tax expenses**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>For the year ended 31 December</b>				
Current income tax:				
Current tax on profits for the year	48,900,641	92,967,390	-	10,952,532
<b>Total current income tax</b>	<b>48,900,641</b>	<b>92,967,390</b>	<b>-</b>	<b>10,952,532</b>
Deferred income tax:				
Origination temporary differences	(52,648,311)	46,867,472	(620,965)	(326,639)
<b>Total deferred income tax</b>	<b>(52,648,311)</b>	<b>46,867,472</b>	<b>(620,965)</b>	<b>(326,639)</b>
<b>Total income tax expenses</b>	<b>(3,747,670)</b>	<b>139,834,862</b>	<b>(620,965)</b>	<b>10,625,893</b>

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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Loss before tax	(2,374,417,354)	(327,019,523)	(311,332,753)	(263,659,811)
Tax calculated at a tax rate of 20% (2019 : 20%)	(474,883,471)	(65,403,905)	(62,266,550)	(52,731,962)
Tax effect of:				
(Income) expense adjustment in accordance with Revenue Code	(209,238,960)	71,839,126	(23,884,376)	(165,717)
Tax losses for which no deferred income tax asset was recognised	516,943,775	100,228,452	38,830,048	23,974,601
Income not subject to tax	-	(30,992,484)	-	-
Tax effect from different tax rate	161,522,798	14,025,223	46,699,913	39,548,971
Others	1,908,188	50,138,450	-	-
Tax charge	(3,747,670)	139,834,862	(620,965)	10,625,893

The weighted average applicable tax rate for the Group and the Company was 0.16% and 0.20%, respectively (2019: 42.76% and 4.03%, respectively).

**28 Basic loss per share**

Basic loss per share is calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue and paid-up during the year.

Basic loss per share for the year ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loss for the year attributable to ordinary shareholders of the Company (Baht)	(2,370,669,684)	(466,854,385)	(310,711,789)	(274,285,704)
Weighted average number of ordinary shares outstanding (shares)	3,593,640,000	2,368,848,723	3,593,640,000	2,368,848,723
Loss per share (Baht per share)	(0.66)	(0.20)	(0.09)	(0.12)

As mentioned in Note 29, 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 2020, the assumed conversion of the shares has resulted in antidilutive as shown in Note 29. Therefore, no diluted earnings (loss) per share (2019: Nil) has been presented in the consolidated and separate financial statements.

**29 Share-based payment**

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%

Movements of capital reserve for share-based payment for the years ended 31 December are as follows:

	Consolidated and Separate financial statements	
	2020 Baht	2019 Baht
At 1 January	4,733,108	-
Increase during the year	26,008,430	4,733,108
At 31 December	30,741,538	4,733,108

Movements of warrant for the year ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Unit	2019 Unit	2020 Unit	2019 Unit
At 1 January	70,000,000	-	70,000,000	-
Warrants expired during the year	(5,050,000)	70,000,000	(5,050,000)	70,000,000
At 31 December	64,950,000	70,000,000	64,950,000	70,000,000

**30 Related-party transactions**

**30.1 Parent entities**

The Group is controlled by S International Holding Co., Ltd. (Former named “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 2020 are listed below.

<b>Entities’ name</b>	<b>Country/Nationality</b>	<b>Relationship</b>
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 International Holding Co., Ltd. (Former named “S Hotels and Resorts Inter Co., Ltd.)	Thailand	Shareholder
S Hotels and Resorts (SG) Pte. Ltd.	Singapore	Shareholder
Santiburi Samui Country 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
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.	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

Entity’s is name and country of registration of subsidiaries, associates and joint ventures are shown in the Note 16 and 17.

**30 Related-party transactions (Cont'd)**

30.2 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's 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.

30.3 The following significant transactions were carried out with related parties:

a) Sales and purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Purchases of goods and services</b>				
Parent	-	718	-	-
Other related parties	97,926	158,722	44,490	40,000
<b>Rental and services income</b>				
Parent	451,174	2,791,810	-	-
Subsidiaries	-	-	-	1,483
Joint ventures	661	-	661	-
Associate	240,973	91,102	-	-
Other related parties	1,309,767	24,162,571	-	684
<b>Management income</b>				
Subsidiaries	-	-	20,031,377	24,594,070
<b>Interest income</b>				
Subsidiaries	-	-	46,101,990	21,957,872
Joint ventures	129,622,348	112,023,021	-	-
<b>Other income</b>				
Parent	199,479	-	199,479	-
Joint ventures	96,543,003	-	-	-
Other related parties	30,705,245	61,409,508	-	-
<b>Interest expense</b>				
Subsidiaries	-	-	-	416,438
Other related parties	-	172,838,982	-	172,838,982
<b>Management fee</b>				
Parent	9,962,972	9,405,561	6,779,205	8,634,788
Associate	1,319,646	4,032,556	-	-
Other related parties	29,957,082	27,200,625	8,890,760	-
<b>Rental and services expense</b>				
Parent	36,581,035	1,769,967	5,199,416	1,685,587
Subsidiaries	-	-	188,316	462,802
Associate	10,253,402	25,301,669	-	-
Joint ventures	-	56,345	-	56,345
Other related parties	7,545,235	15,798,726	5,967,819	4,768,010
<b>Share-based payment transactions</b>				
Parent	1,484,702	5,259,230	879,892	2,988,072

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**30 Related-party transactions (Cont'd)**

**30.3 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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Amounts due from related parties				
Trade accounts receivable				
Parent	89,104	726,498	-	-
Associate	254,244	-	-	-
Other related parties	189,277	260,321	-	-
	532,625	986,819	-	-
Other receivables				
Parent	18,919,025	7,705,778	18,919,025	7,705,778
Subsidiaries	-	-	63,597,945	8,121,213
Associate	661	-	661	-
Other related parties	1,012,742	787,107	990,571	747,577
	19,932,428	8,492,885	83,508,202	16,574,520
Interest receivables				
Subsidiaries	-	-	41,309,428	8,676,299
Joint ventures	420,018,825	292,004,611	-	-
	420,018,825	292,004,611	41,309,428	8,676,299
Advances to				
Parent	102	34,559	102	34,559
Subsidiaries	-	-	2,958,428	286,448
Other related parties	18,906,838	6,136,442	32,785	39,562
	18,906,940	6,171,001	2,991,315	360,569
Total amounts due from related parties	459,390,818	307,655,316	127,808,945	25,611,388
Amounts due to related parties				
Trade accounts payable				
Other related parties	4,529,314	4,400,431	-	-
	4,529,314	4,400,431	-	-
Other payables				
Parent	23,736,170	12,602,343	17,476,225	7,607,684
Subsidiaries	-	-	75,632	159,410
Associate	1,487,849	1,806,344	-	-
Joint ventures	-	30	-	-
Other related parties	17,372,256	175,877,341	11,398,151	952,676
	42,596,275	190,286,058	28,950,008	8,719,770
Advance from Parent	-	1,196,052	-	293,959
	-	1,196,052	-	293,959
Unearned revenue				
Subsidiaries	-	-	225,000	-
Other related parties	-	29,102,408	-	-
	-	29,102,408	225,000	-
Total amounts due to related parties	47,125,589	224,984,949	29,175,008	9,013,729

**30 Related-party transactions (Cont'd)**

30.3 The following significant transactions were carried out with related parties (Cont'd) :

c) Loans to related parties

	<b>Consolidated financial statements</b>			
	<b>Interest rate (% per annum)</b>		<b>Amount (Baht)</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<u>Long-term loan - joint ventures</u>				
FS JV CO LIMITED	LIBOR plus 6.50	LIBOR plus 6.50	1,812,356,063	1,481,867,973
FS JV LICENSE LIMITED	8.00	8.00	20,320,150	19,760,850
Prime Locations Management 3 Ltd.	-	-	30,037,100	-
<b>Total</b>			<b>1,862,713,313</b>	<b>1,501,628,823</b>
	<b>Separate financial statements</b>			
	<b>Interest rate (% per annum)</b>		<b>Amount (Baht)</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<u>Long-term loan - subsidiaries</u>				
S Hotel Phi Phi Island Co., Ltd.	3.75	3.75	380,372,385	299,250,000
S Hotels and Resorts (SC) Co., Ltd.	4.00	6.00	637,383,360	639,715,871
S Hotel and Resort (HK) Ltd.	4.00	-	240,416,931	-
Na Nimmann Co., Ltd.	3.25	-	4,519,486	-
Laguna Paradise Co., Ltd.	3.00	-	1,990,000,000	-
<b>Total</b>			<b>3,252,692,162</b>	<b>938,965,871</b>

As at 31 December 2020, the Company had long-term loans to subsidiaries represented loan of GBP 5 million and Baht 2,374.89 million (2019: Baht 299.25 million, the repayment term is at call, and US Dollar 21.34 million (2019: US Dollar 21.34 million) and GBP 0.98 million, the repayment is in 2022 and 2025 respectively.

As at 31 December 2020, the Group had long-term loans to related parties of US dollar 1.00 million, the repayment term is at call, and GBP 45.10 million (2019: GBP 37.99 million), the repayment term is in 2025.

The fair value of long-term loans approximately equals their carrying amount, as the impact of discount is not significant.

Movement of long-term loans to related parties for the years ended 31 December is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
At 1 January	1,501,628,823	1,560,331,169	938,965,871	-
Addition during the year	318,997,700	-	2,318,200,672	650,000,000
Repayment	-	-	-	(116,000,000)
Reclassification	-	-	-	415,250,000
Unrealised loss on exchange rate	-	-	(4,474,381)	(10,284,129)
Currency translation differences	42,086,790	(58,702,346)	-	-
<b>At 31 December</b>	<b>1,862,713,313</b>	<b>1,501,628,823</b>	<b>3,252,692,162</b>	<b>938,965,871</b>

**30 Related-party transactions (Cont'd)**

30.3 The following significant transactions were carried out with related parties (Cont'd):

d) Management remuneration

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Salaries and other short-term employee benefits	89,197,016	90,235,801	47,979,531	38,202,540
Other long-term benefits	26,064,881	13,474,933	26,064,881	13,322,163
Share-based payments	6,236,913	6,587,374	6,018,427	4,316,216
<b>Total</b>	<b>121,498,810</b>	<b>110,298,108</b>	<b>80,062,839</b>	<b>55,840,919</b>

**31 Commitment**

a) Capital expenditure commitments

Capital expenditure commitments but not recognised in the financial statements is as follows:

	Consolidated financial statements			
	2020		2019	
	Million Baht	Million US Dollar	Million Baht	Million US Dollar
Capital expenditure commitments	21.34	3.65	46.36	16.20

b) Operating lease commitments

As at 31 December 2019, 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									
	2020					2019				
	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	11.23	-	-	-	-	15.91	2.17	3.15	0.01	0.01
Later than 1 year but not later than 5 years	2.05	-	-	-	-	15.74	8.67	7.88	-	-
Later than 5 years	-	-	-	-	-	9.19	81.40	-	-	-
<b>Total</b>	<b>13.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40.84</b>	<b>92.24</b>	<b>11.03</b>	<b>0.01</b>	<b>0.01</b>

	Separate financial statements	
	2020 Million Baht	2019 Million Baht
Not later than 1 year	4.85	6.00
Later than 1 year but not later than 5 years	1.90	6.13
Later than 5 years	-	-
<b>Total</b>	<b>6.75</b>	<b>12.13</b>

c) Bank guarantee

As at 31 December 2020, the Group had outstanding bank guarantees for the normal course of business, issued by banks of Baht 3.35 million and Fijian Dollar 0.28 million (2019 : Baht 5.03 million and Fijian Dollar 0.28 million).

**32 Events occurring after the reporting date**

- 32.1 On 16 February 2021, the Group acquired additional 50% of the share capital of FS JV Co., Ltd. (FS JV) (a joint venture of the group) from a third party for a total consideration of GBP 13.75 million, therefore of holding was changed to 100% of the share capital. As a result, the investment in FS JV was changed from the investment in a joint venture to investment in a subsidiary.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	<u>Million GBP</u>
Purchase consideration - Cash paid	13.75
Total purchase consideration	<u>13.75</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

Total assets	165.30
Borrowings	<u>(137.80)</u>
Net identifiable assets acquired	27.50
Less Investment in the joint venture held before business acquisition	(13.75)
Goodwill	-
Net assets acquired	<u>13.75</u>

The Group was under the process of determining fair value of the acquired net assets and reviewing purchase price allocation (PPA) of an acquisition. Therefore, the balance may be subject to further adjustments depending on the determination of fair value and the result of the PPA, which is expected to be finalised within 12 months from the acquisition date.

- 32.2 On 19 January 2021, Prime Locations Management 3 Ltd. , a joint venture of S Hotels and Resorts (SC) Co., Ltd. (SHC) called for a payment of ordinary shares of US Dollar 8 million. SHC has paid for the shares.