

Laguna Resorts & Hotels Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of Laguna Resorts & Hotels Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Laguna Resorts & Hotels Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of income, comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Laguna Resorts & Hotels Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laguna Resorts & Hotels Public Company Limited and its subsidiaries and of Laguna Resorts & Hotels Public Company Limited as at 31 December 2023, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition of hotel and property development

Revenue from hotel and property development is the most significant amount in the consolidated income statement and it is one of key performance indication to which the management and users of the financial statements pay particular attention. There are therefore risks with respect to the occurrence of revenue recognition.

I have examined the revenue recognition of the Group by

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

Fair value measurement of land, buildings and investment properties

Land and buildings are stated at revalued amount and investment properties are stated at fair value. The management arranged for an independent valuer to appraise their fair value. The measurement of fair value is identified as a key audit matter because land, buildings and investment properties are the most significant amounts in the consolidated statement of financial position. In addition, the assessment of fair value required the management to exercise judgement in respect of the key assumptions and estimates, as described in Notes 17 and 18 to the consolidated financial statements. There are therefore risks with respect to the value of land, buildings and investment properties.

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

- Gaining an understanding of internal controls of the Group relevant to the measurement of fair value of land, buildings and investment properties.
- Evaluating the independence and competence of the independent valuer, together with the scope and objectives of the engagement of the independent valuer.
- Having discussions with the management and independent valuer to understand and assess the model or valuation methodologies and key assumptions applied in determination of fair value, as well as obtaining market insights where the properties are located, by involving an internal expert to compare the information with information from external sources based on the expert's knowledge and past experience.
- Comparing the consistency of valuation model or method used and key assumptions with those used in the prior year.
- Reviewing the completeness and correctness of data on a sampling basis prepared by management which were used in determination of fair value.
- Reviewing the disclosures related to land, buildings and investment properties in notes to the consolidated financial statements.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Nummon Kerdmongkhonchai

Certified Public Accountant (Thailand) No. 8368

EY Office Limited

Bangkok: 21 February 2024

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	6	1,453,363,415	1,178,455,101	419,478,252	45,351,036
Trade and other receivables	7	1,004,807,523	901,674,139	163,339,756	281,071,385
Inventories	9	160,081,492	69,883,601	-	-
Property development cost	10	3,536,578,590	3,657,996,712	111,429,000	111,429,000
Cost to obtain contracts with customers	11	318,326,691	185,667,433	-	-
Other current financial assets	12	16,767,997	16,685,254	2,385,698	2,373,947
Other current assets	13	377,613,848	158,961,690	20,652,249	10,511,337
Total current assets		6,867,539,556	6,169,323,930	717,284,955	450,736,705
Non-current assets					
Other non-current financial assets	12	867,136,662	865,168,194	-	-
Long-term trade accounts receivable	14	499,313,266	420,722,133	-	-
Investments in subsidiaries	15	-	-	4,242,655,372	4,242,655,372
Investments in associates	16	1,076,642,845	991,141,335	777,454,049	777,454,049
Long-term loans to subsidiaries	8	-	-	1,335,000,000	1,467,550,000
Investment properties	17	1,624,202,480	1,416,981,060	226,595,300	194,498,210
Property, plant and equipment	18	18,596,447,093	12,250,505,682	31,743,953	33,224,265
Right-of-use assets	19	34,275,261	44,680,216	12,029,460	4,024,903
Deferred tax assets	32	16,478,494	69,284,925	-	-
Goodwill	15	407,903,881	407,903,881	-	-
Other non-current assets		60,637,403	47,601,188	15,064,950	10,879,792
Total non-current assets		23,183,037,385	16,513,988,614	6,640,543,084	6,730,286,591
Total assets		30,050,576,941	22,683,312,544	7,357,828,039	7,181,023,296

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	610,000,000	1,080,000,000	510,000,000	650,000,000
Trade and other payables	21	1,512,269,126	1,321,269,958	82,909,476	120,749,729
Current portion of long-term loans from financial institutions	23	481,405,918	296,628,539	60,000,000	1,500,000
Current portion of lease liabilities	19	43,261,655	59,317,287	5,059,209	5,390,080
Income tax payable		51,545,111	16,471,201	-	-
Advance received from customers		2,623,475,720	1,648,296,851	-	-
Other current liabilities	22	361,402,322	296,419,135	15,652,564	22,976,047
Total current liabilities		5,683,359,852	4,718,402,971	673,621,249	800,615,856
Non-current liabilities					
Long-term loans from subsidiaries	8	-	-	755,000,000	478,500,000
Long-term loan from related company	8	-	6,000,000	-	-
Long-term loans from financial institutions, net of current portion	23	4,143,678,169	4,521,995,500	1,314,284,134	1,373,838,131
Provision for long-term employee benefits	24	151,892,753	106,714,420	37,510,945	12,436,438
Deferred tax liabilities	32	4,150,161,482	2,862,276,097	113,100,613	115,549,415
Lease liabilities, net of current portion	19	18,905,608	35,292,929	4,338,891	2,265,006
Other non-current liabilities		674,418,190	584,152,875	145,093,477	113,807,835
Total non-current liabilities		9,139,056,202	8,116,431,821	2,369,328,060	2,096,396,825
Total liabilities		14,822,416,054	12,834,834,792	3,042,949,309	2,897,012,681

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Shareholders' equity					
Share capital					
Registered					
211,675,358 ordinary shares of Baht 10 each		2,116,753,580	2,116,753,580	2,116,753,580	2,116,753,580
Issued and fully paid-up					
166,682,701 ordinary shares of Baht 10 each		1,666,827,010	1,666,827,010	1,666,827,010	1,666,827,010
Share premium		2,062,460,582	2,062,460,582	2,062,460,582	2,062,460,582
Share discount from change in proportion of investment in subsidiary					
		(7,372,391)	(7,372,391)	-	-
Capital reserve	25	568,130,588	568,130,588	-	-
Retained earnings					
Appropriated - statutory reserve	27	211,675,358	211,675,358	211,675,358	211,675,358
Unappropriated		(105,060,332)	(493,903,003)	229,864,351	201,734,273
Other components of shareholders' equity		10,698,370,628	5,715,775,515	144,051,429	141,313,392
Equity attributable to owner of the Company		15,095,031,443	9,723,593,659	4,314,878,730	4,284,010,615
Equity attributable to non-controlling interests of the subsidiaries					
		133,129,444	124,884,093	-	-
Total shareholders' equity		15,228,160,887	9,848,477,752	4,314,878,730	4,284,010,615
Total liabilities and shareholders' equity		30,050,576,941	22,683,312,544	7,357,828,039	7,181,023,296
		-	-	-	-

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

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Directors
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Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Revenues	28				
Revenue from hotel operations		3,700,579,453	2,397,982,387	42,470,160	30,167,291
Revenue from property development operations		2,263,034,611	2,314,067,434	-	-
Revenue from office rental operations		35,056,276	35,801,267	12,113,318	11,501,384
Other income	29	117,900,772	48,818,357	302,140,021	113,883,959
Total revenues		6,116,571,112	4,796,669,445	356,723,499	155,552,634
Expenses					
Cost of hotel operations		2,320,296,024	1,581,799,275	24,154,471	16,652,489
Cost of property development operations		1,160,393,034	1,322,326,909	-	-
Cost of office rental operations		32,018,773	25,544,012	5,155,316	4,748,173
Selling expenses		694,641,763	479,555,173	288,478	194,475
Administrative expenses		1,191,050,396	1,263,241,169	226,632,627	199,242,031
Total expenses		5,398,399,990	4,672,466,538	256,230,892	220,837,168
Operating profit (loss)		718,171,122	124,202,907	100,492,607	(65,284,534)
Share of profit from investments in associates	16	9,707,176	28,529,666	-	-
Finance income		45,849,700	40,919,275	57,526,989	46,761,266
Finance cost	30	(209,398,793)	(201,884,032)	(109,623,464)	(77,818,371)
Profit (loss) before income tax expenses		564,329,205	(8,232,184)	48,396,132	(96,341,639)
Income tax (expenses) revenue	32	(188,675,148)	13,504,746	(1,546,562)	723,988
Profit (loss) for the year		375,654,057	5,272,562	46,849,570	(95,617,651)
Profit (loss) attributable to:					
Equity holders of the Company		367,638,850	7,106,270	46,849,570	(95,617,651)
Non-controlling interests of the subsidiaries		8,015,207	(1,833,708)		
		375,654,057	5,272,562		
Earnings per share	33				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		2.21	0.04	0.28	(0.57)

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit (loss) for the year		<u>375,654,057</u>	<u>5,272,562</u>	<u>46,849,570</u>	<u>(95,617,651)</u>
Other comprehensive income (loss) :					
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(5,126,875)	10,237,281	-	-
Share of other comprehensive income (loss) from associates	16	<u>(3,127,703)</u>	<u>(11,022,337)</u>	-	-
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods, net of income tax		<u>(8,254,578)</u>	<u>(785,056)</u>	-	-
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss, net of income tax		(32,218,539)	-	(18,719,492)	-
Change in revaluation of assets, net of income tax		4,944,939,490	-	2,738,037	-
Gain on changes in value of equity investments designated at fair value through other comprehensive income, net of income tax		1,574,774	15,117,318	-	-
Share of other comprehensive income from associates	16	<u>97,987,931</u>	<u>7,089,652</u>	-	-
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods, net of income tax		<u>5,012,283,656</u>	<u>22,206,970</u>	<u>(15,981,455)</u>	-
Other comprehensive income (loss) for the year		<u>5,004,029,078</u>	<u>21,421,914</u>	<u>(15,981,455)</u>	-
Total comprehensive income (loss) for the year		<u>5,379,683,135</u>	<u>26,694,476</u>	<u>30,868,115</u>	<u>(95,617,651)</u>
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		5,371,437,784	27,320,167	<u>30,868,115</u>	<u>(95,617,651)</u>
Non-controlling interests of the subsidiaries		<u>8,245,351</u>	<u>(625,691)</u>	-	-
		<u>5,379,683,135</u>	<u>26,694,476</u>	-	-

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements														
Equity attributable to the owners of the Company														
	Other components of shareholders' equity													
	Other comprehensive income													
	Issued and fully paid-up share capital	Share premium	Share discount from change in proportion of investment in subsidiary	Capital reserve	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Gains on investments in equity designated at fair value through other comprehensive income	Share of other comprehensive income (loss) from associates	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Appropriated - statutory reserve					Unappropriated									
Balance as at 1 January 2022	1,666,827,010	2,062,460,582	-	568,130,588	211,675,358	(556,050,684)	115,240,224	5,450,230,273	191,925,561	(6,793,029)	5,750,603,029	9,703,645,883	118,137,393	9,821,783,276
Profit (loss) for the year	-	-	-	-	-	7,106,270	-	-	-	-	-	7,106,270	(1,833,708)	5,272,562
Other comprehensive income (loss) for the year	-	-	-	-	-	-	9,029,264	-	15,117,318	(3,932,685)	20,213,897	20,213,897	1,208,017	21,421,914
Total comprehensive income (loss) for the year	-	-	-	-	-	7,106,270	9,029,264	-	15,117,318	(3,932,685)	20,213,897	27,320,167	(625,691)	26,694,476
Share discount from change in proportion of investment in subsidiary	-	-	(7,372,391)	-	-	-	-	-	-	-	-	(7,372,391)	7,372,391	-
Reversal of revaluation surplus on disposal of assets (Note 26)	-	-	-	-	-	55,041,411	-	(55,041,411)	-	-	(55,041,411)	-	-	-
Balance as at 31 December 2022	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>(7,372,391)</u>	<u>568,130,588</u>	<u>211,675,358</u>	<u>(493,903,003)</u>	<u>124,269,488</u>	<u>5,395,188,862</u>	<u>207,042,879</u>	<u>(10,725,714)</u>	<u>5,715,775,515</u>	<u>9,723,593,659</u>	<u>124,884,093</u>	<u>9,848,477,752</u>
Balance as at 1 January 2023	1,666,827,010	2,062,460,582	(7,372,391)	568,130,588	211,675,358	(493,903,003)	124,269,488	5,395,188,862	207,042,879	(10,725,714)	5,715,775,515	9,723,593,659	124,884,093	9,848,477,752
Profit for the year	-	-	-	-	-	367,638,850	-	-	-	-	-	367,638,850	8,015,207	375,654,057
Other comprehensive income (loss) for the year	-	-	-	-	-	(32,218,539)	(5,357,019)	4,944,939,490	1,574,774	94,860,228	5,036,017,473	5,003,798,934	230,144	5,004,029,078
Total comprehensive income (loss) for the year	-	-	-	-	-	335,420,311	(5,357,019)	4,944,939,490	1,574,774	94,860,228	5,036,017,473	5,371,437,784	8,245,351	5,379,683,135
Reversal of revaluation surplus on disposal of assets (Note 26)	-	-	-	-	-	53,422,360	-	(53,422,360)	-	-	(53,422,360)	-	-	-
Balance as at 31 December 2023	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>(7,372,391)</u>	<u>568,130,588</u>	<u>211,675,358</u>	<u>(105,060,332)</u>	<u>118,912,469</u>	<u>10,286,705,992</u>	<u>208,617,653</u>	<u>84,134,514</u>	<u>10,698,370,628</u>	<u>15,095,031,443</u>	<u>133,129,444</u>	<u>15,228,160,887</u>
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements						
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income Revaluation surplus on assets	Total other components of shareholders' equity	
Balance as at 1 January 2022	1,666,827,010	2,062,460,582	211,675,358	297,351,924	141,313,392	141,313,392	4,379,628,266
Loss for the year	-	-	-	(95,617,651)	-	-	(95,617,651)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	(95,617,651)	-	-	(95,617,651)
Balance as at 31 December 2022	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>211,675,358</u>	<u>201,734,273</u>	<u>141,313,392</u>	<u>141,313,392</u>	<u>4,284,010,615</u>
Balance as at 1 January 2023	1,666,827,010	2,062,460,582	211,675,358	201,734,273	141,313,392	141,313,392	4,284,010,615
Profit for the year	-	-	-	46,849,570	-	-	46,849,570
Other comprehensive income (loss) for the year	-	-	-	(18,719,492)	2,738,037	2,738,037	(15,981,455)
Total comprehensive income (loss) for the year	-	-	-	28,130,078	2,738,037	2,738,037	30,868,115
Balance as at 31 December 2023	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>211,675,358</u>	<u>229,864,351</u>	<u>144,051,429</u>	<u>144,051,429</u>	<u>4,314,878,730</u>
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit (loss) before income tax expenses	564,329,205	(8,232,184)	48,396,132	(96,341,639)
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	399,869,016	412,536,768	6,061,891	5,223,480
Allowance for expected credit losses (reversal)	49,891,196	(187,297)	806,180	(289,628)
Reduction of inventory to net realisable value	310,626	1,648,899	-	-
Reduction of property development cost to net realisable value	23,714,606	597,453	-	-
Bad debt expenses	12,064,169	-	-	-
Dividend income from investment in subsidiaries	-	-	(174,414,600)	-
Dividend income from investment in associate	-	-	(19,065,894)	(19,074,128)
Provision for fixed guaranteed returns	26,988,800	-	-	-
Provision for timeshare memberships	3,159,558	-	-	-
Share of profit from investments in associates	(9,707,176)	(28,529,666)	-	-
Gain on revaluation of investment properties	(100,413,856)	(34,757,718)	(20,249,526)	(12,896,010)
(Gain) loss on sales of property, plant and equipment	(12,310,180)	1,882,814	(28,192)	(218,586)
Write off property development cost	38,694,238	-	-	-
Write off property, plant and equipment	476,679	8,546,996	9	5,705,001
Impairment of property, plant and equipment (reversal)	(87,760,953)	-	1,869,770	-
Reversal of impairment of right-of-use assets	-	(2,095,244)	-	-
Deferred gain on right-of-use assets	2,167,814	21,551,139	-	-
Provision for long-term employee benefits	11,539,092	14,769,572	2,150,172	1,370,885
Provision for legal case	6,720,509	-	-	-
Finance income	(45,849,700)	(40,919,275)	(57,526,989)	(46,761,266)
Finance cost	209,398,793	201,884,032	109,623,464	77,818,371
Profit (loss) from operating activities before changes in operating assets and liabilities	1,093,282,436	548,696,289	(102,377,583)	(85,463,520)
Operating assets (increase) decrease				
Trade and other receivables	(165,088,749)	(221,996,278)	(18,460,192)	19,622,980
Inventories	(90,508,517)	(11,382,048)	-	-
Property development cost	43,164,418	489,613,742	-	-
Cost to obtain contracts with customers	(132,659,258)	(34,041,006)	-	-
Other current assets	(205,760,593)	(40,394,734)	(5,147,989)	(2,487,846)
Long-term trade accounts receivable	(78,591,133)	50,425,239	-	-
Other non-current assets	(2,227,787)	1,039,542	(322,503)	(180,000)
Operating liabilities increase (decrease)				
Trade and other payables	214,039,875	298,347,689	3,036,762	16,404,021
Advance received from customers	975,178,869	429,398,658	-	-
Other current liabilities	35,537,899	73,570,413	(55,955)	8,388,867
Cash paid for long-term employee benefits	(6,633,933)	(14,856,919)	(475,032)	(3,275,160)
Cash paid for legal case	(6,720,509)	-	-	-
Other non-current liabilities	6,298,572	19,665,766	(3,414,368)	(123,182)
Cash flows from (used in) operating activities	1,679,311,590	1,588,086,353	(127,216,860)	(47,113,840)
Cash received from interest income	45,849,700	40,919,275	192,912,630	20,361,536
Cash received from income tax refund	8,967,220	6,977,505	-	-
Cash paid for interest expenses	(152,513,335)	(78,134,094)	(115,354,466)	(21,246,045)
Cash paid for income tax	(78,103,798)	(48,478,489)	(8,855,578)	(3,859,277)
Net cash flows from (used in) operating activities	1,503,511,377	1,509,370,550	(58,514,274)	(51,857,626)

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Decrease in long-term restricted deposits at financial institutions	-	23,783,022	-	-
Increase in fixed deposit	(82,743)	-	(11,751)	(7,030)
Cash received from long-term loans to subsidiaries	-	-	501,550,000	138,000,000
Cash paid for long-term loans to subsidiaries	-	-	(369,000,000)	(319,000,000)
Dividend received from investments in subsidiaries	-	-	174,414,600	-
Dividend received from investment in associate	19,065,894	19,074,128	19,065,894	19,074,128
Cash paid for acquisition of investment properties	(11,847,564)	-	(11,847,564)	-
Cash received from sales of property, plant and equipment	58,781,735	3,238,556	28,235	4,800,768
Cash paid for acquisition of property, plant and equipment	(569,067,564)	(293,040,604)	(7,462,361)	(11,071,934)
Net cash flows from (used in) investing activities	(503,150,242)	(246,944,898)	306,737,053	(168,204,068)
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from financial institutions	(470,000,000)	(101,162,030)	(140,000,000)	-
Draw down of long-term loans from subsidiaries	-	-	1,670,000,000	1,032,000,000
Repayment of long-term loans from subsidiaries	-	-	(1,393,500,000)	(782,000,000)
Draw down of long-term loans from financial institutions	125,115,000	150,735,000	-	-
Repayment of long-term loans from financial institutions	(320,473,396)	(688,897,170)	(1,500,000)	-
Repayment of long-term loans from related company	(6,000,000)	(16,950,000)	-	-
Payment of lease liabilities	(52,805,472)	(35,089,789)	(9,095,563)	(3,240,027)
Dividend paid	-	(130,048,103)	-	(130,048,103)
Net cash flows from (used in) financing activities	(724,163,868)	(821,412,092)	125,904,437	116,711,870
Net exchange differences on translation of financial statements in foreign currency	(1,288,953)	5,512,550	-	-
Net increase (decrease) in cash and cash equivalents	274,908,314	446,526,110	374,127,216	(103,349,824)
Cash and cash equivalents at beginning of year	1,178,455,101	731,928,991	45,351,036	148,700,860
Cash and cash equivalents at end of year (Note 6)	1,453,363,415	1,178,455,101	419,478,252	45,351,036
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Share of other comprehensive income (loss) from associates	94,860,228	(3,932,685)	-	-
Addition revaluation surplus set up during the year	6,181,174,362	-	3,422,548	-
Reversal of revaluation surplus on disposal of assets	53,422,360	55,041,411	-	-
Interest recorded as property development cost	9,416,025	4,530,345	-	-
Addition of right-of-use assets and lease liabilities	16,805,511	52,662,784	10,838,577	4,765,192
Transfer of property development cost to property, plant and equipment	22,005,000	89,865,224	-	-
Transfer of property, plant and equipment to property development cost	54,744,115	60,893,623	-	-
Transfer of property, plant and equipment to investment properties	36,960,000	-	-	-
Transfer of property development cost to investment properties	58,000,000	-	-	-
Reclassify long-term restricted deposits at financial institutions to other current financial assets	-	14,318,337	-	-

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2023

1. General information

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

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

The registered office of the Company is at 21/9, 21/31 and 21/33, Thai Wah Tower 1, 5th and 12th floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 %	2022 %
<u>Subsidiaries directly held by the Company</u>				
Banyan Tree Gallery (Singapore) Pte. Limited	Sale of merchandise	Singapore	51.0	51.0
Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	51.0	51.0
Laguna Banyan Tree Limited	Hotel operations, property development sales and marketing service for holiday club membership	Thailand	100.0	100.0
Laguna Holiday Club Limited	Holiday club membership	Thailand	100.0	100.0
Laguna Grande Limited	Operating a golf club and property development	Thailand	100.0	100.0
Laguna Lakes Limited	Property development	Thailand	95.0	95.0
Laguna Service Company Limited	Provide utilities and other services	Thailand	72.9	72.9
Laguna (3) Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
TWR - Holdings Limited	Investment holding and property development	Thailand	100.0	100.0
Vision 9 Farm Limited	Farming and restaurant	Thailand	100.0	100.0
<u>Subsidiaries held through TWR - Holdings Limited</u>				
Laguna Excursions Limited	Travel operations	Thailand	49.0	49.0
Laguna Jobs Recruitment Co., Ltd.	Employment services	Thailand	100.0	100.0
Mae Chan Property Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Pai Samart Development Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Phuket Grande Resort Limited	Property development and hotel operations	Thailand	100.0	100.0
Talang Development Company Limited	Holds land plots for future development	Thailand	50.0	50.0
Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	100.0	100.0
Thai Wah Tower Company Limited	Lease of office building space	Thailand	100.0	100.0
Thai Wah Tower (2) Company Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
Twin Waters Limited	Property development	Thailand	100.0	100.0
Laguna Global Intertrade Limited	Trading company	Thailand	100.0	-
Laguna Hospitality Limited	Laundry services	Thailand	100.0	-
<u>Subsidiaries held through Laguna Grande Limited</u>				
Bangtao (1) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (2) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (3) Limited	Property development	Thailand	-	100.0
Bangtao Laguna Limited	Owns land on which a hotel is situated and property development	Thailand	100.0	100.0
Bangtao Grande Limited	Hotel operations and property development	Thailand	100.0	100.0
<u>Subsidiary held through Laguna Holiday Club Limited</u>				
Cheer Golden Limited	Investment holding	Hong Kong	100.0	100.0
<u>Subsidiary held through Laguna Banyan Tree Limited</u>				
PT AVC Indonesia	Holiday club membership and operating a golf club	Indonesia	100.0	100.0

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

- (b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - (c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - (d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - (e) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
 - (f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
 - (g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement, statement of comprehensive income and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

(a) Revenue from hotel operations

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

(b) Revenue from property development operations

- Revenue from the real estate sales

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

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

- Revenue from services

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

(c) Revenue from rental and services

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

(d) Interest income

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

(e) Dividends income

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

(f) Finance cost

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

4.2 Cost of property development

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

4.3 Cash and cash equivalents

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

4.4 Inventories

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

4.5 Property development cost

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

4.6 Cost to obtain contracts with customers

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

4.7 Investments in subsidiaries and associates

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

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

4.8 Investment properties

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

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

4.9 Property, plant and equipment/Depreciation

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

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

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

- When an asset's carrying amount is increased as a result of the revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on assets" in respect of the same asset.

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

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

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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

4.10 Borrowing costs

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

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

4.11 Goodwill

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.12 Leases

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

The Group as a lessee

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

Right-of-use assets

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

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

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

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

4.13 Deferred financial fees

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

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

4.14 Related party transactions

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

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

4.15 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.16 Impairment of non-financial assets

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

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

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

4.17 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

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

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

4.18 Provisions

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

4.19 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.20 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets designated at FVOCI (equity instruments)

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

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

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

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

Impairment of financial assets

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

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

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

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

4.21 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Investment properties

The Group presents investment properties at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment properties using the market approach. The key assumptions used in estimating the fair value are described in Note 17.

Property, plant and equipment/Depreciation

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

The Group measures land and buildings at revalued amounts. Such amounts are determined by independent valuer using the market approach for land, the replacement cost approach for buildings. The valuation involves certain assumptions and estimates as described in Note 18.

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

Goodwill

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

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cash	12,774	8,132	148	148
Bank deposits	1,440,589	1,170,323	419,330	45,203
Total	1,453,363	1,178,455	419,478	45,351

As at 31 December 2023, bank deposits in saving accounts and fixed deposits carried interest rates between 0.35% and 0.95% per annum (2022: between 0.15% and 0.35% per annum).

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	360,499	310,699	10,636	9,280
Less: Allowance for expected credit losses	(43,348)	(38,216)	(7,327)	(6,521)
Trade accounts receivable - hotel operations, net	317,151	272,483	3,309	2,759
Trade accounts receivable - sales of property				
- installments due	134,302	94,211	-	-
Current portion of long-term trade				
accounts receivable	295,820	295,607	-	-
Less: Deferred interest income	(14,844)	(11,061)	-	-
Current portion of long-term trade accounts receivable, net (Note 14)	280,976	284,546	-	-
Trade accounts receivable - sales of property, net	415,278	378,757	-	-
Trade accounts receivable - sales of holiday club				
memberships and sales and marketing services for				
holiday club memberships	30,390	44,651	-	-
Less: Allowance for expected credit losses	(16,572)	(26,393)	-	-
Trade accounts receivable - sales of holiday club				
memberships and sales and marketing services for				
holiday club memberships, net	13,818	18,258	-	-
Total trade accounts receivable, net	746,247	669,498	3,309	2,759
<u>Other receivables</u>				
Amounts due from related parties (Note 8)	173,645	126,788	139,789	255,722
Villa owner receivables	100,102	90,042	2,194	4,657
Accrued rental income	17,692	16,461	17,692	16,461
Other receivables	24,441	24,642	356	1,472
Total other receivables	315,880	257,933	160,031	278,312
Less: Allowance for expected credit losses	(57,319)	(25,757)	-	-
Total other receivables, net	258,561	232,176	160,031	278,312
Total trade and other receivables, net	1,004,808	901,674	163,340	281,071

The balances of trade accounts receivable - hotel operations as at 31 December 2023 and 2022, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Age of receivables</u>				
Not yet due	99,588	110,087	588	255
Past due				
Up to 30 days	109,326	73,108	676	540
31 - 60 days	34,627	27,241	430	413
61 - 90 days	15,192	9,945	1,209	279
91 - 120 days	7,350	6,286	305	185
Over 120 days	94,416	84,032	7,428	7,608
Total	360,499	310,699	10,636	9,280
Less: Allowance for expected credit losses	(43,348)	(38,216)	(7,327)	(6,521)
Trade accounts receivable - hotel operations, net	317,151	272,483	3,309	2,759

The normal credit term of trade accounts receivable - hotel operations is 30 days.

Set out below is the movement in the allowance for expected credit losses of trade receivable - hotel operations:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Balance at beginning of year	38,216	45,681	6,521	6,810
Additions (reversal)	5,132	(7,465)	806	(289)
Balance at end of year	43,348	38,216	7,327	6,521

The balances of trade accounts receivable - sales of property as at 31 December 2023 and 2022, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Age of receivables</u>				
Not yet due	370,798	308,393	-	-
Past due				
Up to 30 days	27,859	23,045	-	-
31 - 60 days	12,134	14,728	-	-
61 - 90 days	5,380	6,391	-	-
91 - 120 days	3,600	6,109	-	-
Over 120 days	10,351	31,152	-	-
Total	430,122	389,818	-	-
Less: Deferred interest income	(14,844)	(11,061)	-	-
Trade accounts receivable - sales of property, net	<u>415,278</u>	<u>378,757</u>	<u>-</u>	<u>-</u>

The normal credit term of trade accounts receivable - sales of property is 30 days.

The balances of trade accounts receivable - sales of holiday club memberships and sales and marketing service for holiday club memberships as at 31 December 2023 and 2022, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Age of receivables</u>				
Not yet due	3,115	1,775	-	-
Past due				
Up to 30 days	366	1,268	-	-
31 - 60 days	818	531	-	-
61 - 90 days	383	1,060	-	-
91 - 120 days	1,479	651	-	-
Over 120 days	24,229	39,366	-	-
Total	30,390	44,651	-	-
Less: Allowance for expected credit losses	(16,572)	(26,393)	-	-
Trade accounts receivable - sales of holiday club memberships and sales and marketing service for holiday club memberships, net	<u>13,818</u>	<u>18,258</u>	<u>-</u>	<u>-</u>

The normal credit term of trade accounts receivable - sales of holiday club memberships and sales and marketing service for holiday club memberships is 30 days.

Set out below is the movement in the allowance for expected credit losses of trade receivable - sales of holiday club memberships and sale and marketing services for holiday club memberships:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Balance at beginning of year	26,393	48,360	-	-
Additions (reversal)	1,563	(797)	-	-
Write-off	(11,384)	(21,170)	-	-
Balance at end of year	<u>16,572</u>	<u>26,393</u>	<u>-</u>	<u>-</u>

8. Related party transactions

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

	(Unit: Million Baht)				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2023	2022	2023	2022	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Inter resort payments	-	-	-	2	(1) agreed basis
Guarantee fee income	-	-	1	1	(2) agreed basis
Guarantee fee expenses	-	-	19	19	(2) agreed basis
Interest income	-	-	57	47	(4) agreement
Interest expenses	-	-	36	12	(4) agreement
Management fee income	-	-	84	76	(3), (15) agreed basis
Reimbursement receipts	-	-	15	21	(9) agreed basis
Reimbursement payments	-	-	22	26	(9) agreed basis
Rental and service income	-	-	2	2	(10)(ii) agreement
Rental and service expenses	-	-	5	8	(10)(ii), (iii) agreement
Resort service expenses	-	-	6	4	(12) agreed basis
Dividend income	-	-	174	-	As declared

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2023	2022	2023	2022	
<u>Transactions with associates</u>					
Reimbursement receipts	5	7	-	-	(9) agreed basis
Rental and service income	18	17	-	-	(10)(iii) agreement
Dividend income	-	-	19	19	As declared
<u>Transactions with related companies</u>					
Inter resort payments	2	3	-	-	(1) agreed basis
Management fee income	3	2	1	3	(13), (14) agreement
Management fee expenses	252	147	-	-	(5) agreement
Purchase of spa and gallery vouchers	3	4	1	1	(16) agreed basis
Sale of goods	16	13	-	-	(7) agreed basis
Reimbursement receipts	65	74	12	30	(9) agreed basis
Reimbursement payments	86	54	7	9	(9) agreed basis
Rental and service income	1	11	-	-	(10)(i), (ii), (iv) agreement
Rental return on hotel units	-	4	-	-	(11) agreement
Training charges	6	6	-	-	(8) agreed basis
Service fees	24	26	-	-	(6), (15) agreed basis
<u>Transaction with director</u>					
Sales of property	47	152	-	-	As a normal selling price
Rental return on hotel units	-	1	-	1	As actual

The nature, pricing policy and agreements relating to the above transactions are summarised below:

- (1) These charges relate to goods and services that are consumed by customers in one part of Laguna Phuket but are billed centrally to the customer at the hotel in which the customer is staying. Such charges relate to meals at restaurants, golf fees, treatments at the spa and goods purchased at shops in the resort. On receiving the funds centrally from the customer, the hotel reimburses the company in which the goods and services are consumed. Actual receipts are paid and credit card commission is charged ranging from 2% to 5% of the revenue based on the commission rate charged by the credit card companies. Such inter resort charges are also incurred at Banyan Tree Bangkok and Laguna Golf Bintan primarily for treatments at the spa, goods purchased at the shops and golf fees at golf course.

- (2) Guarantee fee among group companies for permitting their assets to be pledged as collateral for other related companies' bank loans by charging on 1% of proportion of value of pledged assets to total loan facilities.
- (3) The Company charges a management fee to its subsidiaries for providing centralised duties and services for each operation in the group. The monthly fixed rate is charged dependent on the department serviced, except the internal audit service is charged by working hours.
- (4) Loans between group companies are unsecured and are denominated in Thai Baht. The loans carry interest at a rate equal to the lenders' borrowing costs per annum (based upon commercial bank's interest rates) plus a margin of 1.1%. The loans are repayable on demand, however it is expected that those loans would not be called for repayment in the short-term. Therefore, such loans are recorded as non-current assets/liabilities in the statements of financial position.
- (5) The terms of the operating agreements are disclosed in Note 35 and consist of a royalty agreement, hotel management agreement and technical assistance agreement. The payment terms of the contracts are as follows:

Royalty fee paid for the use of "Banyan Tree", "Angsana" and "Cassia" trademarks and all other proprietary rights associated with it.

- (i) Banyan Tree Phuket (Laguna Banyan Tree Limited), Cassia Phuket (Phuket Grande Resort Limited), Angsana Villas Resort Phuket (Bangtao Grande Limited) and Homm Suites Laguna (formerly known as "Laguna Holiday Club Phuket Resort") (Bangtao Grande Limited) pay a royalty fee of 2% of total revenue.
- (ii) Banyan Tree Bangkok (Thai Wah Plaza Limited) and Angsana Laguna Phuket (Bangtao Grande Limited) pay a royalty fee of 3% of total revenue.
- (iii) Banyan Tree Gallery (Thailand) Limited pay a royalty fee of 1% of total revenue.

Hotel management and technical assistance fees.

- (iv) The Technical Assistance Agreement of Banyan Tree Phuket pay a technical fee of 7.5% of gross operating profit.
- (v) The Hotel Management Agreement of Banyan Tree Bangkok and Angsana Laguna Phuket pay a hotel management fee of 10% of gross operating profit. Cassia Phuket, Angsana Villas Resort Phuket and Homm Suites Laguna (formerly known as "Laguna Holiday Club Phuket Resort") pay a hotel management fee of 7.5% of gross operating profit.

(vi) In addition, pursuant to the hotel management and technical assistance agreements, expenses relating to the sharing of group marketing costs such as promotional campaigns and adverts, sales staff salaries, central reservations and international sales offices incurred by Banyan Tree and/or Angsana and/or Cassia corporate head office shall be charged as follows:

- Group marketing services shared on a group basis are based on 2% of total actual hotel revenue.
- Reservation service fees are 1% of room revenue plus USD 12 per booking sourced through third party channels.

All management fees are consistent with industry practice and the sharing of group marketing costs incurred by Banyan Tree Phuket, Banyan Tree Bangkok, Angsana Laguna Phuket, Angsana Villas Resort Phuket, Cassia Phuket and Homm Suites Laguna (formerly known as "Laguna Holiday Club Phuket Resort") are the reimbursement of costs benefiting each of the hotels. As a result, these transactions are on normal commercial terms and conditions.

- (6) The centralised service fee charges by Banyan Tree Resorts & Spas (Thailand) Company Limited in respect of providing centralised services related to accounting, purchasing, human resources, learning & development, reservation and information technology. Where the charges is based on 5% markup of actual cost, the same is applied to all hotels and business operations concerned.
- (7) These transactions relate to:
- (i) Sale of goods from Banyan Tree Gallery (Thailand) Limited to related companies is priced at a 15% to 30% discount to the retail price depending on the volume purchased.
 - (ii) Sale of guest and spa supplies of high volume purchases from companies which operate galleries to related companies is priced at cost plus up to 30% and 40% margin.
- (8) Training charges by Banyan Tree Hotels & Resorts (Thailand) Limited in respect of providing centralised training facilities and courses for staff. The training costs are allocated to each operation based on actual cost.
- (9) Costs are often incurred within the group which is reimbursed by the company to which the expense relates. Actual costs are reimbursed.

- (10) Rental paid for premises and land. The rental periods are not over three years.
- (i) Rental and service income for space in Banyan Tree Phuket for Banyan Tree Spa office and store is at Baht 1,207 per square metre per month.
 - (ii) Rental of space and service in Canal Village. The charges include rental and related service fees which are at market rate.
 - (iii) Rental and service income earned by Thai Wah Plaza Limited for renting the office space at Thai Wah Tower I and Banyan Tree Bangkok. The charges include rental and related service fees which are at market rate.
 - (iv) Service income from rental of Banyan Tree Management Academy is at Baht 136,591 per month.
- (11) This relates to a Management Agreement to manage the hotel units of Cheer Golden Limited in the Angsana Resort & Spa on Bintan Island, Indonesia under which Cheer Golden Limited receives a return of 15% per annum on the investment of the leasehold rights.
- (12) Resort service charged to the operations relates to revenue of Laguna Service Company Limited which provides centralised services to each operation in the group located at Laguna Phuket at the following rates:
- Water supply : at the determined price and actual usage
 - Laundry charge : at the price based on cost plus a certain margin
 - Common area services, : based on actual cost
transportation charges
 - Staff buses : at the price based on cost plus a certain margin
 - Marketing fee : at the rate of 0.75% of the operations' actual revenue
 - Community service : based on actual cost
 - Other services : at the determined price and actual usage
- (13) The Company charges a management fee to Banyan Tree Resorts & Spas (Thailand) Company Limited for providing administration services of information technology and human resources.
- (14) This relates to management fee charge to related companies for providing operational, visual and product training services. The fee are annual fee at SGD according to each agreement plus 15% of gross operating profit.

- (15) This relates to project management services which the fees are based on 10% mark up of actual working hours in providing the service and included all cost.
- (16) Purchase of Banyan Tree Spa and Banyan Tree Gallery vouchers for distribution to management to provide an additional benefit scheme. The vouchers are issued yearly to qualifying executives and are valid only within the year of issue. The voucher is priced at the face value of the voucher.

The Company has contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of its subsidiaries as follows:

	(Unit: Million Baht)	
	2023	2022
Long-term loan facilities	750	300
Overdrafts and bank guarantee facilities	105	105

Subsidiaries have contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of the Group as follows:

	(Unit: Million Baht)	
	2023	2022
Short-term loan facilities	150	150

As at 31 December 2023 and 2022, the balances of the accounts between the Company and related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Amounts due from related parties				
Subsidiaries	-	-	87,956	236,285
Associated companies	3,790	4,608	-	-
Related companies (related by common shareholders)	169,855	122,180	51,833	19,437
Total amounts due from related parties (Note 7)	<u>173,645</u>	<u>126,788</u>	<u>139,789</u>	<u>255,722</u>
Amounts due to related parties				
Subsidiaries	-	-	14,777	48,409
Related companies (related by common shareholders)	201,159	164,014	20,707	7,761
Total amounts due to related parties (Note 21)	<u>201,159</u>	<u>164,014</u>	<u>35,484</u>	<u>56,170</u>

Long-term loans to subsidiaries and long-term loans from subsidiaries and related company

As at 31 December 2023 and 2022, the balance of loans between the Company and related companies and the movement in loans are as follows:

Long-term loans to subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			31 December 2023
	1 January 2023	Addition	Repayment	
Laguna Banyan Tree Limited	989,000	211,000	(217,000)	983,000
Laguna Holiday Club Limited	170,500	123,500	(182,000)	112,000
Laguna Lakes Limited	285,000	26,000	(98,000)	213,000
Banyan Tree Gallery (Thailand) Limited	23,050	3,500	(4,550)	22,000
Laguna (3) Limited	-	5,000	-	5,000
Total	1,467,550	369,000	(501,550)	1,335,000

Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			31 December 2023
	1 January 2023	Addition	Repayment	
Laguna (3) Limited	14,500	-	(14,500)	-
TWR - Holdings Limited	255,000	765,000	(265,000)	755,000
Laguna Grande Limited	209,000	905,000	(1,114,000)	-
Total	478,500	1,670,000	(1,393,500)	755,000

Long-term loan from related company

(Unit: Thousand Baht)

	Consolidated financial statements			31 December 2023
	1 January 2023	Addition	Repayment	
Banyan Tree Hotels & Resorts (Thailand) Limited	6,000	-	(6,000)	-
Total	6,000	-	(6,000)	-

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses of their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	135,871	106,158	62,873	66,785
Post-employment benefits	3,812	8,910	1,564	7,116
Other long-term employee benefits	26	29	4	10
Total	139,709	115,097	64,441	73,911

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2023	2022	2023	2022	2023	2022
Food and beverage	22,768	19,200	-	-	22,768	19,200
Finished goods and supplies	140,190	53,251	(2,877)	(2,567)	137,313	50,684
Total	162,958	72,451	(2,877)	(2,567)	160,081	69,884

10. Property development cost

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Property development cost - net	
	2023	2022	2023	2022	2023	2022
Land	1,267,890	1,330,804	-	-	1,267,890	1,330,804
Land and property under construction	1,592,433	1,611,642	-	-	1,592,433	1,611,642
Land and completed buildings	705,243	740,776	(28,987)	(25,225)	676,256	715,551
Total	3,565,566	3,683,222	(28,987)	(25,225)	3,536,579	3,657,997

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Property development cost - net	
	2023	2022	2023	2022	2023	2022
Land	111,429	111,429	-	-	111,429	111,429
Total	111,429	111,429	-	-	111,429	111,429

Subsidiaries have mortgaged property development cost amounting to Baht 1,020 million (2022: Baht 1,022 million) as collateral against its credit facilities received from financial institutions.

Certain property development cost has been financed with a loan from a financial institution. For the year ended 31 December 2023, the Group included borrowing costs of Baht 9 million as property development costs (2022: Baht 5 million) comprising borrowing costs from specific purpose and general loan with the interest rate of 3.29% - 5.42% (2022: 1.40% - 4.25%).

11. Costs to obtain contracts with customers

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Balance at beginning of year	185,667	151,626	-	-
Addition during the year	236,954	151,926	-	-
Amortisation as selling expenses	(104,294)	(117,885)	-	-
Balance at end of year	318,327	185,667	-	-

12. Other financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Debt instrument at amortised cost</u>				
Fixed deposits	16,768	16,685	2,386	2,374
Total debt instrument at amortised cost	16,768	16,685	2,386	2,374
<u>Equity instruments designated at FVOCI</u>				
Non-listed equity instruments				
Bibace Investments Ltd.	531,013	498,788	-	-
Banyan Tree Indochina Hospitality Fund, L.P.	336,124	366,380	-	-
Total equity instruments designated at FVOCI	867,137	865,168	-	-
Total other financial assets	883,905	881,853	2,386	2,374
Current	16,768	16,685	2,386	2,374
Non-current	867,137	865,168	-	-
	883,905	881,853	2,386	2,374

The Group has elected to measure these equity securities at fair value through other comprehensive income due to the Group's intention to hold these equity instruments for long-term appreciation.

13. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Value added tax	86,949	69,243	3,229	2,795
Prepaid expenses and withholding tax deducted at source	69,000	46,532	9,361	5,001
Advances to suppliers and staff	74,399	43,187	8,062	2,715
Deposit for purchase of land (Note 35)	147,266	-	-	-
Total	377,614	158,962	20,652	10,511

14. Long-term trade accounts receivable

Installments receivable from property sales which bear interest at rates of 0.0% - 7.0% per annum and installments are repaid over a period of 3 to 5 years.

Long-term trade accounts receivable are due as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2023	2022
Sales of property		
Within 1 year	295,820	295,607
Less: Deferred interest income	(14,844)	(11,061)
Current portion of long-term trade accounts receivable, net (Note 7)	280,976	284,546
Over 1 year to 5 years	516,476	435,941
Less: Deferred interest income	(17,163)	(15,219)
Long-term trade accounts receivable, net	499,313	420,722
Total	780,289	705,268

15. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2023	2022	2023	2022	2023	2022
	Million Baht	Million Baht	%	%	Million Baht	Million Baht
<u>Subsidiaries held by the Company</u>						
Banyan Tree Gallery (Singapore) Pte. Ltd.	SGD 0.43	SGD 0.43	51.0	51.0	4.0	4.0
	Million	Million				
Banyan Tree Gallery (Thailand) Limited	7.8	7.8	51.0	51.0	4.0	4.0
Laguna Banyan Tree Limited ⁽¹⁾	1,500.0	1,500.0	100.0	100.0	1,325.1	1,325.1
Laguna Holiday Club Limited	330.0	330.0	100.0	100.0	330.0	330.0
Laguna Grande Limited ⁽²⁾	1,000.0	1,000.0	100.0	100.0	958.5	958.5
Laguna Lakes Limited	1.0	1.0	95.0	95.0	0.9	0.9
Laguna Service Company Limited ⁽³⁾	90.5	90.5	72.9	72.9	22.4	22.4
Laguna (3) Limited	0.1	0.1	100.0	100.0	47.8	47.8
TWR-Holdings Limited ⁽⁴⁾	1,550.0	1,550.0	100.0	100.0	1,550.0	1,550.0
Vision 9 Farm Limited ⁽⁵⁾	2.0	2.0	100.0	100.0	-	-
<u>Subsidiaries held through TWR-Holdings Limited</u>						
Laguna Excursions Limited	8.0	8.0	49.0	49.0	-	-
Laguna Jobs Recruitment Co., Ltd.	179.0	179.0	100.0	100.0	-	-
Mae Chan Property Company Limited	82.0	232.3	100.0	100.0	-	-
Pai Samart Development Company Limited	28.4	28.4	100.0	100.0	-	-
Phuket Grande Resort Limited	100.0	100.0	100.0	100.0	-	-
Talang Development Company Limited	251.0	251.0	50.0	50.0	-	-
Thai Wah Plaza Limited	2,250.0	2,250.0	100.0	100.0	-	-
Thai Wah Tower Company Limited	327.0	455.0	100.0	100.0	-	-
Thai Wah Tower (2) Company Limited	21.0	21.0	100.0	100.0	-	-
Twin Waters Limited	214.4	214.4	100.0	100.0	-	-
Laguna Global Intertrade Limited	2.0	-	100.0	-	-	-
Laguna Hospitality Limited	2.0	-	100.0	-	-	-
<u>Subsidiaries held through Laguna Grande Limited</u>						
Bangtao (1) Limited	14.0	20.9	100.0	100.0	-	-
Bangtao (2) Limited	5.0	19.1	100.0	100.0	-	-
Bangtao (3) Limited ⁽⁶⁾	-	7.8	-	100.0	-	-
Bangtao Laguna Limited	80.0	80.0	100.0	100.0	-	-
Bangtao Grande Limited	1,546.0	1,546.0	100.0	100.0	-	-
<u>Subsidiary held through Laguna Holiday Club Limited</u>						
Cheer Golden Limited	-	-	100.0	100.0	-	-
<u>Subsidiary held through Laguna Banyan Tree Limited</u>						
PT AVC Indonesia	USD 7.0	USD 7.0	100.0	100.0	-	-
	Million	Million				
Total investments in subsidiaries					4,242.7	4,242.7

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

(2) Laguna Grande Limited is held 84.9% by the Company and 15.1% through Laguna Holiday Club Limited and Mae Chan Property Company Limited.

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

(4) TWR - Holdings Limited is held 99.0% by the Company and 1.0% through Laguna Grande Limited.

(5) Vision 9 Farm Limited is held 40.0% by the Company and 60.0% through Laguna Grande Limited.

(6) Bangtao (3) Limited has registered the dissolution with the Ministry of Commerce during the year 2023.

During the year, the significant changes in investments in subsidiaries are as follows.

- 1) On 12 June 2023, the Board of Directors' Meeting of TWR Holdings Limited passed a resolution approving TWR Holdings Limited's investment in the establishment of two new companies, namely Laguna Hospitality Limited and Laguna Global Intertrade Limited. The purpose of the investment is to support future business expansion. As a result of the establishment, TWR Holdings Limited holds 100 percent of the registered capital for both companies. The incorporation of both companies was registered in Thailand on 28 June 2023, with each company having a registered capital of Baht 2.0 million. The full payment for the shares has already been made.
- 2) The Extraordinary General Meeting of Shareholders of Bangtao (3) Limited ("the subsidiary") passed a resolution approving the dissolution of the subsidiary. The subsidiary registered its dissolution with the Ministry of Commerce on 30 August 2023.
- 3) The Extraordinary General Meetings of Shareholders of four subsidiaries passed resolutions to decrease their registered share capital as follows. The subsidiaries made payments for the capital reduction to the shareholders and registered the decrease of their capital during the period. On 29 August 2023, the subsidiaries registered these aforementioned changes with the Department of Business Development, Ministry of Commerce.
 - Bangtao (1) Limited decreased its registered share capital from Baht 20.9 million to Baht 14.0 million.
 - Bangtao (2) Limited decreased its registered share capital from Baht 19.1 million to Baht 5.0 million.
 - Thai Wah Tower Company Limited decreased its registered share capital from Baht 455.0 million to Baht 327.0 million.
 - Mae Chan Property Company Limited decreased its registered share capital from Baht 232.3 million to Baht 82.0 million.

During the years, the Company received dividend income from its subsidiaries as detailed below.

(Unit: Thousand Baht)

Company's name	Separate financial statements	
	2023	2022
Laguna Grande Limited	153,756	-
Laguna (3) Limited	20,658	-
Total	174,414	-

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

The Company has goodwill from purchase of shares in subsidiaries as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2023	2022
Thai Wah Plaza Limited	56,976	56,976
Laguna Banyan Tree Limited	350,928	350,928
Total	<u>407,904</u>	<u>407,904</u>

Goodwill acquired through business combination was related to Thai Wah Plaza Limited and Laguna Banyan Tree Limited. Each entity has been identified as the single cash-generating unit (“CGU”) for impairment testing.

The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Key assumptions used for value in use calculations are as below:

	Thai Wah Plaza Limited		Laguna Banyan Tree Limited	
	2023	2022	2023	2022
Growth rate (% per annum)	6.06	3.05	5.07	5.82
Discount rate (% per annum)	6.42	7.47	6.64	7.05

Management determined the budgeted growth rate based on past performance and its expectation for market development. The discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets.

With regards to the assessment of value in use, management believes that goodwill is not impaired.

Management believes that any reasonably possible change in the key assumptions on which the units’ recoverable amount are based would not cause the units’ carrying amount to exceed its recoverable amount.

16. Investments in associates

16.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2023	2022	2023	2022	2023	2022
Tropical Resorts Ltd. Less: Allowance for impairment of investment	Holding company	Hong Kong	25.87 (%)	25.87 (%)	17,673 (17,673)	17,673 (17,673)	- -	- -
Thai Wah Public Company Limited	Manufacture and distribution of vermicelli, tapioca starch and other food products	Thailand	10.03	10.03	777,454	777,454	754,177	773,807
Banyan Tree China Pte. Ltd. Total investments in associates - net	Holding company	Singapore	10.69	10.69	173,495 950,949	173,495 950,949	322,466 1,076,643	217,334 991,141

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost			
			2023	2022	2023	2022		
Thai Wah Public Company Limited	Manufacture and distribution of vermicelli, tapioca starch and other food products	Thailand	10.03 (%)	10.03 (%)	777,454	777,454	777,454	777,454
Total					777,454	777,454	777,454	777,454

Banyan Tree China Pte. Ltd., held by Laguna Banyan Tree Limited, was incorporated in Singapore and is engaged in investment holding.

Tropical Resorts Ltd., held by Laguna Banyan Tree Limited, was incorporated in Hong Kong and is engaged in investment holding.

As at 31 December 2023 and 2022, the Company has pledged the 10 million ordinary shares of Thai Wah Public Company Limited with a bank to secure a long-term loan of the Company.

16.2 Share of comprehensive income (loss) and dividend received

During the years, the Group and the Company have recognised their share of comprehensive income (loss) from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of profit from investments in associates during the years		Share of other comprehensive income (loss) from investments in associates during the years	
	2023	2022	2023	2022
Banyan Tree China Pte. Ltd.	5,569	796	99,563	(715)
Thai Wah Public Company Limited	4,138	27,734	(4,703)	(3,218)
Total	9,707	28,530	94,860	(3,933)

(Unit: Thousand Baht)

Company's name	Separate financial statements	
	Dividend received	
	2023	2022
Thai Wah Public Company Limited	19,065	19,074
Total	19,065	19,074

16.3 Fair value investments in a listed associate

In respect of investment in an associated company that is a listed company on the Stock Exchange of Thailand, its fair value calculated based on its closed price as at 31 December is as follows:

(Unit: Million Baht)

Associate	Fair values as at 31 December	
	2023	2022
Thai Wah Public Company Limited	352	459

16.4 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	Thai Wah Public Company Limited		Banyan Tree China Pte. Ltd.	
	2023	2022	2023	2022
Current assets	4,583	4,104	-	-
Non-current assets	4,836	4,603	3,687	2,797
Current liabilities	(2,586)	(1,609)	-	-
Non-current liabilities	(1,440)	(1,502)	-	-
Non-controlling interests	(347)	(370)	-	-
Net assets	5,046	5,226	3,687	2,797
Shareholding percentage (%)	10.03	10.03	10.69	10.69
Share of net assets	506	524	394	299
Difference in share of net assets and net book value of investment	-	-	(72)	(82)
Difference in fair value of identifiable assets	150	152	-	-
Goodwill	98	98	-	-
Carrying amounts of associates based an equity method	754	774	322	217

Summarised information about comprehensive income

	(Unit: Million Baht)			
	Thai Wah Public Company Limited		Banyan Tree China Pte. Ltd.	
	2023	2022	2023	2022
Revenue	10,332	10,474	-	-
Profit	46	286	52	7
Other comprehensive income (loss)	(80)	(32)	932	(7)
Total comprehensive income (loss)	(34)	254	984	-

16.5 Summarised financial information of other associate

	(Unit: Million Baht)	
	For the year ended 31 December	
	Tropical Resorts Ltd.	
	2023	2022
Profit (loss)	46	(110)
Other comprehensive income (loss)	8	(72)
Total comprehensive income (loss)	54	(182)

16.6 Investment in associate with capital deficit

The subsidiary recognised share of profit (losses) from investment in Tropical Resorts Ltd., until the value of the investment approached zero. Subsequent losses incurred by this associate has not been recognised in the subsidiary's accounts since the subsidiary has no obligations, whether legal or constructive, to make any payments on behalf of those associates. The amount of such unrecognised share of losses is set out below.

Company's name	(Unit: Million Baht)			
	Unrecognised share of profit (losses)			
	Share of profit (losses) during the years		Cumulative share of losses up to 31 December	
	2023	2022	2023	2022
Tropical Resorts Ltd.	14	(47)	(480)	(494)

17. Investment properties

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	Land awaiting development / sales	Units in office building and shops for rent (including land)	Total	Land awaiting development / sales	Units in office building and shops for rent (including land)	Total
Balance as at 1 January 2022	174,363	1,207,860	1,382,223	74,771	106,831	181,602
Profit on revaluation of investment properties	8,568	26,190	34,758	12,896	-	12,896
Balance as at 31 December 2022	182,931	1,234,050	1,416,981	87,667	106,831	194,498
Addition	-	11,847	11,847	-	11,847	11,847
Transfer from property, plant and equipment	-	36,960	36,960	-	-	-
Transfer from property development cost	-	58,000	58,000	-	-	-
Profit on revaluation of investment properties	26,501	85,760	112,261	25,342	6,755	32,097
Impairment loss recognised	-	(11,847)	(11,847)	-	(11,847)	(11,847)
Balance as at 31 December 2023	209,432	1,414,770	1,624,202	113,009	113,586	226,595

As at 31 December 2023 and 2022, the fair value of the investment properties has been determined based on valuation performed by an independent valuer, using the Market Approach.

Key assumptions used in the valuation are summarised below:

	(Unit: Thousand Baht)				Result to fair value where as an increase in assumption value
	Consolidated financial statements		Separate financial statements		
	2023	2022	2023	2022	
Price per rai	130 - 18,000	120 - 16,000	230 - 18,000	180 - 16,000	Increase in fair value
Price per sq.m.	37 - 120	35 - 113	-	-	Increase in fair value
Price per sq.w.	167 - 736	149	-	-	Increase in fair value

As at 31 December 2023, the subsidiaries have mortgaged the investment properties at fair value of Baht 868 million (2022: Baht 821 million) as collateral against credit facilities received from financial institutions.

18. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements									
	Revaluation basis			Cost basis						
	Land and land improvement	Buildings	Golf course	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total Total
Cost / Revalued amount:										
1 January 2022	7,627,964	6,171,941	141,722	1,968,430	1,281,312	590,901	45,074	221,546	111,902	18,160,792
Additions	45,107	120,555	3,971	38,365	18,459	18,499	2,715	2,166	43,203	293,040
Disposals and write-off	-	(998)	-	(38,442)	(20,247)	(19,879)	(582)	(44,227)	-	(124,375)
Transfers in/out	-	(265)	-	11,077	(7,091)	(2,419)	5,347	-	(6,649)	-
Transfer to property development cost	(60,894)	-	-	-	-	-	-	-	-	(60,894)
Transfer from property development cost	17,115	72,750	-	-	-	-	-	-	-	89,865
Adjustments	-	(974)	(2,183)	(755)	974	134	-	153	-	(2,651)
31 December 2022	7,629,292	6,363,009	143,510	1,978,675	1,273,407	587,236	52,554	179,638	148,456	18,355,777
Additions	18,739	48,822	193	85,449	40,849	80,988	1,015	8,875	284,138	569,068
Disposals and write-off	(23,560)	(22,751)	-	(5,072)	(26,731)	(12,472)	-	(3,092)	-	(93,678)
Transfers in/out	-	42,354	-	6,800	5,164	7,161	17,095	904	(79,478)	-
Transfer to property development cost	(54,744)	-	-	-	-	-	-	-	-	(54,744)
Transfer to investment property	-	(36,960)	-	-	-	-	-	-	-	(36,960)
Transfer from property development cost	22,005	-	-	-	-	-	-	-	-	22,005
Revaluation surplus	5,261,144	920,031	-	-	-	-	-	-	-	6,181,175
Elimination of accumulated depreciation on revaluation	-	(2,697,420)	-	-	-	-	-	-	-	(2,697,420)
Adjustments	-	-	690	224	28	(80)	-	64	(1,285)	(359)
31 December 2023	12,852,876	4,617,085	144,393	2,066,076	1,292,717	662,833	70,664	186,389	351,831	22,244,864
Accumulated depreciation:										
1 January 2022	(388)	(2,343,945)	(81,757)	(1,501,615)	(1,075,002)	(467,206)	(37,100)	(162,826)	-	(5,669,839)
Depreciation charged for the year	(61)	(180,317)	(11,406)	(86,460)	(59,800)	(36,313)	(3,170)	(8,658)	-	(386,185)
Disposals and write-off	-	830	-	25,806	20,031	19,592	582	43,866	-	110,707
Transfer in/out	-	104	-	(5,671)	6,130	1,427	(1,990)	-	-	-
Adjustments	-	92	170	265	(1,038)	(179)	(33)	(153)	-	(876)
31 December 2022	(449)	(2,523,236)	(92,993)	(1,567,675)	(1,109,679)	(482,679)	(41,711)	(127,771)	-	(5,946,193)
Depreciation charged for the year	(60)	(179,879)	(11,813)	(81,016)	(51,952)	(36,270)	(4,823)	(8,882)	-	(374,695)
Disposals and write-off	-	5,505	-	4,996	21,510	12,151	-	3,045	-	47,207
Elimination of accumulated depreciation on revaluation	-	2,697,420	-	-	-	-	-	-	-	2,697,420
Adjustments	-	190	(55)	(104)	40	(21)	-	(65)	-	(15)
31 December 2023	(509)	-	(104,861)	(1,643,799)	(1,140,081)	(506,819)	(46,534)	(133,673)	-	(3,576,276)
Allowance for impairment loss:										
1 January 2022	(39,225)	(96,294)	(26,173)	-	-	-	-	-	-	(161,692)
Adjustments	-	601	2,013	-	-	-	-	-	-	2,614
31 December 2022	(39,225)	(95,693)	(24,160)	-	-	-	-	-	-	(159,078)
Reversal	39,225	48,538	-	-	-	-	-	-	-	87,763
Adjustments	-	(190)	(636)	-	-	-	-	-	-	(826)
31 December 2023	-	(47,345)	(24,796)	-	-	-	-	-	-	(72,141)
Net book value:										
31 December 2022	7,589,618	3,744,080	26,357	411,000	163,728	104,557	10,843	51,867	148,456	12,250,506
31 December 2023	12,852,367	4,569,740	14,736	422,277	152,636	156,014	24,130	52,716	351,831	18,596,447
Depreciation for the year										
2022										386,185
2023										374,695

	Separate financial statements								Total
	Revaluation basis		Cost basis						
	Land and land improvement	Buildings	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	
Cost / Revalued amount:									
1 January 2022	4,437	52,255	18,079	15,838	38,309	1,594	7,908	4,584	143,004
Additions	-	-	-	16	1,582	1,262	-	8,212	11,072
Disposals and write-off	-	(200)	(16,195)	(65)	(4,337)	-	(3,890)	-	(24,687)
Adjustments	-	-	-	-	-	-	-	(4,582)	(4,582)
31 December 2022	4,437	52,055	1,884	15,789	35,554	2,856	4,018	8,214	124,807
Additions	-	-	-	211	1,836	514	65	4,836	7,462
Disposals and write-off	-	-	-	(341)	(711)	-	-	-	(1,052)
Transfer in/out	-	-	1,863	(4,113)	-	2,250	-	-	-
Revaluation surplus	2,348	1,075	-	-	-	-	-	-	3,423
Elimination of accumulated depreciation on revaluation	-	(35,738)	-	-	-	-	-	-	(35,738)
Adjustments	-	-	-	-	(107)	-	-	(7,161)	(7,268)
31 December 2023	6,785	17,392	3,747	11,546	36,572	5,620	4,083	5,889	91,634
Accumulated depreciation:									
1 January 2022	-	(33,737)	(10,248)	(14,954)	(35,337)	(1,524)	(7,908)	-	(103,708)
Depreciation charged for the year	-	(1,068)	(1,269)	(114)	(1,098)	(388)	-	-	(3,937)
Disposals and write-off	-	119	10,571	65	4,337	-	3,890	-	18,982
31 December 2022	-	(34,686)	(946)	(15,003)	(32,098)	(1,912)	(4,018)	-	(88,663)
Depreciation charged for the year	-	(1,052)	(496)	(91)	(1,418)	(168)	(3)	-	(3,228)
Disposals and write-off	-	-	-	341	711	-	-	-	1,052
Transfer in/out	-	-	(1,550)	3,436	-	(1,886)	-	-	-
Elimination of accumulated depreciation on revaluation	-	35,738	-	-	-	-	-	-	35,738
31 December 2023	-	-	(2,992)	(11,317)	(32,805)	(3,966)	(4,021)	-	(55,101)
Allowance for impairment loss:									
1 January 2022	-	(2,920)	-	-	-	-	-	-	(2,920)
31 December 2022	-	(2,920)	-	-	-	-	-	-	(2,920)
Increase during the year	-	(1,869)	-	-	-	-	-	-	(1,869)
31 December 2023	-	(4,789)	-	-	-	-	-	-	(4,789)
Net book value:									
31 December 2022	4,437	14,449	938	786	3,456	944	-	8,214	33,224
31 December 2023	6,785	12,603	755	229	3,767	1,654	62	5,889	31,744
Depreciation for the year									3,937
2022									3,228
2023									

The Group arranged for an independent professional valuer to re-appraise the value of certain assets in the report dated 28 December 2023 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the Market Approach.
- Buildings were revalued using the Replacement Cost Approach.

Key assumptions used in the valuation are summarised below:

	Consolidated financial statements		Separate financial statements		Result to fair value whereas an increase in assumption value
	2023	2022	2023	2022	
	Building - price per square metre (Baht)	1,000 - 80,000	1,000 - 78,000	1,500 - 17,500	
Land - price per rai (Million Baht)	0.2 - 800.0	2.0 - 400.0	30.0	18.0	Increase in fair value

A significant increase in land prices in areas of Laguna Phuket and the vicinity of Banyan Tree Hotel in Bangkok is due to the high demand from investors seeking to purchase land in Phuket and Bangkok, particularly Padang Beach, Chengtalay, Bang Tao in Phuket, and Sathorn Road in Bangkok. The substantial investments in various real estate development projects within these locations, leading to a surge in overall land prices during 2023. This increase also includes the land prices of Laguna Phuket and Banyan Tree Bangkok, in response to the heightened market demand.

Had the land and buildings been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2023 and 2022 would have been as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Land	1,652,464	1,598,203	189	189
Buildings	3,623,510	3,696,374	7,494	10,288

As at 31 December 2023, certain buildings and equipment of the Group have been fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation and allowance for impairment loss, of those assets amounted to Baht 2,569 million (2022: Baht 2,288 million) (the Company only: Baht 61 million, 2022: Baht 60 million).

The subsidiaries have mortgaged land and buildings at fair value of Baht 12,718 million (2022: Baht 8,634 million) as collateral against credit facilities received from financial institutions.

19. Leases

19.1 The Group as a lessee

The Group has entered into lease agreements to lease villa/unit and various items of machinery and equipment for use in their hotel operations. The term of agreements are generally between 1 - 3 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Buildings	Machinery and equipment	Motor vehicles	Pier	Total
1 January 2022	112	24,776	4,206	8,821	553	38,468
Additions	726	28,135	154	-	2,097	31,112
Depreciation for the year	(243)	(19,907)	(2,230)	(3,152)	(699)	(26,231)
Reversal of impairment	-	2,095	-	-	-	2,095
Decrease from lease termination	-	(122)	-	-	-	(122)
Translation adjustment	-	36	-	(678)	-	(642)
31 December 2022	595	35,013	2,130	4,991	1,951	44,680
Additions	-	13,619	1,018	-	-	14,637
Depreciation for the year	(241)	(19,113)	(1,885)	(3,235)	(699)	(25,173)
Translation adjustment	-	-	-	131	-	131
31 December 2023	354	29,519	1,263	1,887	1,252	34,275

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Buildings	Machinery and equipment	Motor vehicles	Pier	Total
1 January 2022	-	1,292	-	-	-	1,292
Additions	-	4,765	-	-	-	4,765
Depreciation for the year	-	(1,286)	-	-	-	(1,286)
Decrease from lease termination	-	(746)	-	-	-	(746)
31 December 2022	-	4,025	-	-	-	4,025
Additions	-	10,838	-	-	-	10,838
Depreciation for the year	-	(2,834)	-	-	-	(2,834)
31 December 2023	-	12,029	-	-	-	12,029

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Lease payments	65,215	99,923	9,834	7,876
Less: Deferred interest expenses	(3,047)	(5,313)	(436)	(221)
Total	62,168	94,610	9,398	7,655
Less: Portion due within one year	(43,262)	(59,317)	(5,059)	(5,390)
Lease liabilities - net of current portion	<u>18,906</u>	<u>35,293</u>	<u>4,339</u>	<u>2,265</u>

A maturity analysis of lease payments is disclosed in Note 39 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	25,173	26,231	2,834	1,286
Interest expense on lease liabilities	3,371	4,776	225	103
Expense relating to short-term leases	987	3,411	-	-
Expense relating to leases of low-value assets	3,000	612	-	325
Expense relating to variable lease payments that do not depend on an index or a rate	232,831	140,041	24,154	16,553

The Group has lease agreements in respect of cash rewards options for villa/unit rental scheme agreements. The cash reward options are included fixed return or variable return based on actual hotel revenue or hotel profit. The term of the agreements are generally 3 - 5 years.

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 226 million (2022: Baht 166 million) (the Company only: Baht 24 million, 2022: Baht 16 million), including the cash outflow related to short-term leases, leases of low-value assets and variable lease payments that do not depend on an index or a rate. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 35.

19.2 Group as a lessor

The Group has entered into operating leases for its investment property portfolio consisting of office and building of the lease terms are 1 - 3 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2023 and 2022 as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Within 1 year	25,808	22,543	10,308	5,669
Over 1 and up to 5 years	14,950	28,380	7,514	4,357
Total	40,758	50,923	17,822	10,026

20. Short-term loans from financial institutions

	Interest rate (percent per annum)	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
	MMR	2023	2022	2023	2022
Short-term loans from financial institutions	MMR	610,000	1,080,000	510,000	650,000
Total		610,000	1,080,000	510,000	650,000

MMR: Money Market Rate

These short-term loans from financial institutions are secured by the mortgage of plots of land and buildings of its subsidiaries, as described in Note 18 and by the guarantee provided by subsidiaries.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		Financial statements	
	2023	2022	2023	2022
Trade accounts payable	422,593	398,857	2,751	5,536
Accrued construction	8,475	7,055	-	-
Amounts due to related parties (Note 8)	201,159	164,014	35,484	56,170
Accrued expenses	391,840	324,721	32,132	46,049
Other payables	311,905	317,525	2,831	2,121
Service charge payable to hotel staff	40,866	37,310	-	-
Accrued rental to villa owners	135,431	71,788	9,711	10,874
Total	1,512,269	1,321,270	82,909	120,750

22. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Value added tax payable	122,435	108,281	9,452	16,493
Unearned income	12,178	19,148	-	-
Specific business tax payable	172,377	152,030	3,016	3,950
Other tax payable	22,538	16,960	3,185	2,533
Short-term provisions	31,874	-	-	-
Total	361,402	296,419	15,653	22,976

23. Long-term loans from financial institutions

(Unit: Thousand Baht)

No.	Facility (Million Baht)	Repayment	Repayment period	Interest rate (% per annum)	Consolidated		Separate	
					2023	2022	2023	2022
<u>The Company</u>								
1	75	Quarterly	April 2017 to October 2031	2.00 and MLR less 0.75 - 1.75	67,250	67,750	67,250	67,750
2	1,300	Quarterly	February 2020 to October 2036	2.00 and MLR less 0.75 - 2.00	1,291,000	1,292,000	1,291,000	1,292,000
3	20	Half-yearly	March 2024 to March 2025	MMR	20,000	20,000	20,000	20,000
<u>Subsidiaries</u>								
4	450	Quarterly	August 2017 to October 2038	2.00 and MLR less 0.50 - 2.00	304,625	305,000	-	-
5	335	Quarterly	November 2019 to October 2038	2.00 and MLR less 0.75 - 2.00	250,740	295,733	-	-
6	800	Quarterly	March 2013 to October 2038	2.00 and MLR less 0.50 - 2.00	239,500	240,000	-	-
7	400	Quarterly	February 2020 to October 2038	2.00 and MLR less 0.75 - 2.00	398,250	398,750	-	-
8	52	Quarterly	October 2023 to October 2030 ^(a)	2.00 and MLR less 1.25 - 2.00	51,500	52,000	-	-
9	5	Monthly	May 2023 to April 2025	2.00 and MLR	-	5,000	-	-
10	1,000	Quarterly	October 2009 to October 2038 ^(a)	2.00, MLR and MLR less 0.50 - 1.50	250,395	251,395	-	-
11	75	Quarterly	July 2019 to October 2038	2.00 and MLR less 0.75 - 2.00	72,500	73,500	-	-
12	800	Quarterly	February 2019 to October 2038	2.00 and MLR less 0.75 - 2.00	798,438	798,750	-	-
13	175	Quarterly	January 2017 to October 2038	2.00 and MLR less 0.50 - 2.00	152,500	153,500	-	-

No.	Facility (Million Baht)	Repayment	Repayment period	Interest rate (% per annum)	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
					2023	2022	2023	2022
Subsidiaries (continued)								
14	200	Quarterly	October 2023 to October 2030	MLR less 1.25 - 1.50	198,000	200,000	-	-
15	298	Quarterly	June 2014 to October 2030 ^(a)	2.00 and MLR less 1.00 - 2.00	72,766	73,729	-	-
16	135	Annually	July 2020 to December 2024 ^(a)	MLR less 1.25 - 1.50	-	38,005	-	-
17	100	Quarterly	December 2016 to October 2030	2.00 and MLR less 1.00 - 2.00	47,000	48,000	-	-
18	300	Quarterly	May 2020 to October 2038 ^(a)	2.00 and MLR less 0.75 - 2.00	26,008	76,619	-	-
19	400	Annually	December 2020 to December 2023 ^(a)	MLR less 1.25 - 1.50	-	89,291	-	-
20	480	Annually	December 2022 to September 2023 ^(a)	MLR less 1.25 - 1.50	-	11,923	-	-
21	130	Quarterly	April 2023 to January 2028	2.00 and MLR less 1.50	110,500	130,000	-	-
22	20	Annually	December 2023 to December 2024	MMR	-	20,000	-	-
23	45.5	Half-yearly	March 2024 to September 2024	MMR	10,000	35,000	-	-
24	40	Half-yearly	September 2023 to March 2025	MMR	35,500	40,000	-	-
25	300	Quarterly	August 2024 to May 2028 ^(a)	MLR less 1.25 - 1.50	216,866	113,411	-	-
26	100	Half-yearly	December 2023 to December 2026	MLR less 1.50	20,660	-	-	-
Total long-term loans from financial institutions					4,633,998	4,829,356	1,378,250	1,379,750
Less: Deferred financial fees					(8,914)	(10,731)	(3,966)	(4,412)
Long-term loans from financial institutions, net					4,625,084	4,818,625	1,374,284	1,375,338
Less: Current portion					(481,406)	(296,629)	(60,000)	(1,500)
Long-term loans from financial institutions, net of current portion					4,143,678	4,521,996	1,314,284	1,373,838

MMR: Money Market Rate

MLR: Minimum Loan Rate

(a) Also subject to mandatory prepayment in order and/or inverse order of maturity upon the ownership transfer of property sales units and/or when has received the deposits, down payment, the rental or purchase price.

Movement of the long-term loan account during the year ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Balance at beginning of year	4,829,356	5,367,518	1,379,750	1,379,750
Add: Draw down	125,115	150,735	-	-
Less: Repayments	(320,473)	(688,897)	(1,500)	-
Balance at ending of year	4,633,998	4,829,356	1,378,250	1,379,750

The additional borrowings during the year are for the property development projects and working capital of hotel operations.

The loans are secured by mortgage of plots of land and buildings of its subsidiaries, as described in Notes 10, 17, 18. The loan in (1) above is guaranteed by the pledge of 10 million ordinary shares of Thai Wah Public Company Limited.

The loan agreements contain several covenants which, among other things, require the Group to maintain debt to equity ratios and debt service coverage ratios at the rate prescribed in the agreements.

As at 31 December 2023, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 641 million (2022: Baht 323 million).

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and other employee benefits plan, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	2023			2022		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
Balance at beginning of year	77,710	29,004	106,714	73,963	32,839	106,802
Included in profit or loss:						
Current service cost	6,048	2,005	8,053	5,447	2,256	7,703
Interest cost	1,258	350	1,608	997	370	1,367
Gains on settlement	-	-	-	4,232	1,467	5,699
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	(58)	(58)	-	-	-
Financial assumptions changes	-	(1,638)	(1,638)	-	-	-
Experience adjustments	-	3,575	3,575	-	-	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	(533)	-	(533)	-	-	-
Financial assumptions changes	(9,384)	-	(9,384)	-	-	-
Experience adjustments	50,190	-	50,190	-	-	-
Benefits paid during the year	(2,301)	(4,333)	(6,634)	(6,929)	(7,928)	(14,857)
Balance at end of year	122,988	28,905	151,893	77,710	29,004	106,714

(Unit: Thousand Baht)

	Separate financial statements					
	2023			2022		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
Balance at beginning of year	10,548	1,888	12,436	12,084	2,257	14,341
Included in profit or loss:						
Current service cost	581	101	682	581	110	691
Interest cost	145	24	169	137	25	162
Gains on settlement	-	-	-	322	195	517
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	(3)	(3)	-	-	-
Financial assumptions changes	-	(78)	(78)	-	-	-
Experience adjustments	-	1,380	1,380	-	-	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	(75)	-	(75)	-	-	-
Financial assumptions changes	(1,453)	-	(1,453)	-	-	-
Experience adjustments	24,928	-	24,928	-	-	-
Benefits paid during the year	-	(475)	(475)	(2,576)	(699)	(3,275)
Balance at end of year	34,674	2,837	37,511	10,548	1,888	12,436

The Group expects to pay Baht 53 million of long-term employee benefits during the next year (the Company only: Baht 27 million) (2022: Baht 9 million, the Company only: Baht 0.4 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 7 - 8 years (the Company only: 7 - 8 years) (2022: 10 years, the Company only: 10 years).

Significant actuarial assumptions are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Discount rate (% per annum)	3.12 - 3.21	1.40	3.12 - 3.21	1.40
Salary increase rate (% per annum)	2.00	2.00	2.00	2.00
Turnover rate (% per annum)	7.00 - 29.00	7.00 - 29.00	7.00 - 29.00	7.00 - 29.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	2023			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 0.50%)	(3,521)	3,721	(447)	471
Salary increase rate (+/-1.00%)	6,021	(5,462)	838	(763)

(Unit: Thousand Baht)

	2022			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 0.50%)	(2,705)	2,865	(150)	158
Salary increase rate (+/-1.00%)	5,208	(4,711)	363	(338)

25. Capital reserve

The capital reserve relates to the accounting of assets in subsidiaries at their fair values as at the acquisition date and cannot be used for dividend payments.

26. Revaluation surplus

This represents surplus arising from revaluation of property, plant and equipment.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Balance at beginning of year	5,395,189	5,450,230	141,313	141,313
Addition of revaluation surplus on assets	4,944,939	-	2,738	-
Reversal of revaluation surplus on disposal of assets	(53,422)	(55,041)	-	-
Balance at end of year	<u>10,286,706</u>	<u>5,395,189</u>	<u>144,051</u>	<u>141,313</u>

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

28. Revenue from contracts with customers

28.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Revenue from contracts with customers:				
Revenue from hotel operations	3,700,579	2,397,982	42,470	30,167
Revenue from property development operations	2,263,035	2,314,067	-	-
Revenue from office rental operations - service income	7,950	7,948	1,912	1,753
Management fee income	1,478	2,267	85,781	78,455
Total revenue from contracts with customers	5,973,042	4,722,264	130,163	110,375
Revenue from office rental operations - rental income	27,106	27,854	10,201	9,749
Dividend income	-	-	193,479	19,074
Gain on revaluation of investment properties (Note 17)	100,414	34,758	20,250	12,896
Others	16,009	11,793	2,631	3,459
Total revenue	6,116,571	4,796,669	356,724	155,553
Timing of revenue recognition:				
Revenue recognised at a point in time	3,981,332	3,514,390	-	-
Revenue recognised over time	1,991,710	1,207,874	130,163	110,375
Total revenue from contracts with customers	5,973,042	4,722,264	130,163	110,375

Set out below is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 37 relating to the segment information:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Revenue from external customers	5,910,767	4,688,026	45,847	34,052
Intersegment revenues	453,846	299,702	84,316	76,323
	6,364,613	4,987,728	130,163	110,375
Adjustments and eliminations	(391,571)	(265,464)	-	-
Total revenue from contracts with customers	5,973,042	4,722,264	130,163	110,375

28.2 Revenue recognised in relation to contract balances

As at 31 December 2023 and 2022, the Group had significant revenue recognised in relation to contract balance from hotel and property development operations, which are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Revenue recognised that was included in contract liabilities at the beginning of year	1,003,679	998,386	-	-

28.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2023, the Group has revenue from property development operations of Baht 9,944 million which is expected to be recognised as revenue over the next 3 years (2022: Baht 5,963 million which is expected to be recognised as revenue over the next 3 years) as construction of development properties progress.

29. Other income

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Dividend income	-	-	193,479	19,074
Management fee income	1,478	2,267	85,781	78,455
Gain on revaluation of investment properties (Note 17)	100,414	34,758	20,250	12,896
Gain on sales of property, plant and equipment	12,310	-	28	219
Others	3,699	11,793	2,603	3,240
Total	117,901	48,818	302,141	113,884

30. Finance cost

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Interest expense under effective interest method	206,028	197,108	109,398	77,715
Interest expense on lease liabilities	3,371	4,776	225	103
Total	209,399	201,884	109,623	77,818

31. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Salaries, wages and other employee benefits	1,219,648	913,992	185,792	129,418
Depreciation	399,869	412,537	6,062	5,223
Rental expenses from lease agreements	236,818	144,064	24,154	16,879
Repairs and maintenance	181,148	166,126	2,315	1,669
Water and electricity	266,321	210,726	4,106	3,414
Management fee, incentive fee and royalty fees	217,918	152,146	-	-
Commission	303,503	217,020	-	-
Sales and marketing expenses	367,343	141,958	155	70
Food and beverage cost	350,061	250,689	-	-
Increase in land and construction during the year	1,038,975	808,272	-	-
Change in property development cost	121,418	514,055	-	-

32. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current income tax:				
Current income tax charge	79,751	29,976	-	-
Adjustment in respect of income tax of previous year	845	(115)	-	-
Write off prepaid withholding tax	86	295	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	107,993	(43,661)	1,547	(724)
Income tax expenses (revenue) reported in the income statement	188,675	(13,505)	1,547	(724)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax relating to revaluation surplus on assets	1,236,235	-	685	-
Deferred tax relating to gain on change in value of equity instruments designated at FVOCI	394	3,779	-	-
Deferred tax relating to actuarial loss	(8,055)	-	(4,680)	-

The reconciliation between accounting profit (loss) and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accounting profit (loss) before income tax	564,329	(8,232)	48,396	(96,342)
Applicable tax rate	0% - 20%	0% - 20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	113,544	(1,856)	9,679	(19,268)
Adjustment in respect of income tax of previous year	845	(115)	-	-
Write off prepaid withholding tax	86	295	-	-
Unused tax losses	70,380	96,926	20,695	20,135
Utilise of tax losses	(37,505)	(44,234)	-	-
Set up deferred tax assets for previously unrecognised tax losses	(26,215)	(87,115)	-	-
Set up (reversal) deferred tax liabilities as previously recorded	7,261	(14,283)	(620)	-
Reversal deferred tax assets as previously recorded	17,178	6,973	-	-
Effects of:				
Write off property development cost and property, plant and equipment	5,922	1,142	-	1,141
Exempt dividend income	-	-	(38,696)	(3,815)
Revenue treated under the Revenue code	-	9,135	-	-
Non-taxable expenses	37,179	19,627	10,489	1,083
Total	43,101	29,904	(28,207)	(1,591)
Income tax expenses (revenue) reported in the income statement	188,675	(13,505)	1,547	(724)

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position	
	Consolidated financial statements	
	2023	2022
Deferred tax assets (liabilities)		
Unutilised tax losses	101,001	117,904
Provision for long-term employee benefits	28,980	21,343
Intercompany charges to property development cost and property, plant and equipment	3,615	11,646
Other items of deferred tax assets	58,005	34,035
Revaluation surplus on assets	(2,952,837)	(1,718,460)
Temporary differences arising from revenue and cost recognition	(1,088,825)	(999,243)
Gain on revaluation of investment properties	(233,071)	(208,455)
Gain on change in value of equity instruments designated at FVOCI	(52,154)	(51,761)
Leases	1,603	-
Net deferred tax liabilities	(4,133,683)	(2,792,991)

Reflected in the statements of financial position as follows:

Deferred tax assets	16,478	69,285
Deferred tax liabilities	(4,150,161)	(2,862,276)
Net deferred tax liabilities	(4,133,683)	(2,792,991)

(Unit: Thousand Baht)

	Statements of financial position	
	Separated financial statements	
	2023	2022
Deferred tax assets (liabilities)		
Provision for long-term employee benefits	7,502	2,487
Other items of deferred tax assets	803	990
Revaluation surplus on assets	(21,180)	(21,109)
Temporary differences arising from revenue recognition	(64,320)	(68,806)
Gain on revaluation of investment properties	(35,906)	(29,111)
Net deferred tax liabilities	(113,101)	(115,549)

As at 31 December 2023, the Group has tax losses of Baht 2,249 million (2022: Baht 2,171 million) (the Company only: Baht 274 million, 2022: Baht 170 million) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. These tax losses are subject to the agreement of the taxation authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Details of expiry date of unused tax losses are summarised as below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Year of expiry:				
Within 1 year	68,468	124,685	-	-
Over 1 year to 5 years	2,180,460	2,046,799	273,642	170,167
Total	2,248,928	2,171,484	273,642	170,167

33. Earnings per share

Basic earnings per share is calculated by dividing the profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	367,639	7,106	46,850	(95,618)
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Profit (loss) per share (Baht/share)	2.21	0.04	0.28	(0.57)

34. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Contributions are made to the fund by both employees and the Group and will be paid to employees upon termination in accordance with the fund rules of the Group's provident fund.

During the years, the contributions were recognised as expenses as following details:

Company	Fund Manager		(Unit: Million Baht)	
	Operation staffs	Office staffs	Company's contribution in	
			2023	2022
Laguna Resorts & Hotels Public Company Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	3.8	2.7
Laguna Grande Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	1.3	1.0
Bangtao Grande Limited	SCB Asset Management	-	3.5	2.6
	Company Limited			
Laguna Banyan Tree Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	5.9	4.7
Banyan Tree Gallery (Thailand) Limited	-	MFC Asset Management Plc.	0.3	0.3
Laguna Service Company Limited	-	MFC Asset Management Plc.	1.7	1.5
Laguna Holiday Club Limited	-	MFC Asset Management Plc.	0.2	0.2
Thai Wah Plaza Limited	TISCO Assets Management	MFC Asset Management Plc.	3.8	2.8
	Company Limited			
Laguna Excursions Limited	-	MFC Asset Management Plc.	-	0.1
Phuket Grande Resort Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	0.7	0.6

35. Commitments

Capital commitment

As at 31 December 2023, the Group has capital commitments as follows:

- a) The subsidiaries have commitments in respect of constructing new and renovating existing hotel properties and office rental amounting to Baht 78 million (2022: Baht 81 million).
- b) The subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 1,637 million (2022: Baht 1,309 million).
- c) A subsidiary entered into sales and purchase agreements for land with unrelated persons. The subsidiary paid the deposit of Baht 144 million and the remaining Baht 144 million shall be paid in within 12 April 2024.
- d) A subsidiary entered into an agreement to purchase and sale of land, having a total land area of 1 rai 54.25 square wah, with a company which has a mutual director with other subsidiary in the Group (the mutual director is an unauthorised signatory director of such subsidiary). The subsidiary paid the deposit of Baht 3 million and the remaining Baht 32 million shall be paid in within 28 March 2024.

Operating agreements

As at 31 December 2023, the Group has operating agreements as follows:

- a) The subsidiaries have entered into operating agreements with certain companies whereby these companies are to operate the subsidiaries' hotel business. In consideration of such services, the subsidiaries are committed to pay remuneration at the rates, terms and basis specified in the agreements. These agreements are summarised below:

Company	Business unit	Operator	Contract period	Fees
Bangtao Grande Limited	Angsana Laguna Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 30.11.2031 (b)	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 30.11.2031 (b)	- Management fee: 10% of gross operating profit
		Banyan Tree Marketing Group Pte. Ltd.	1.7.2012 - 30.11.2031 (b)	- Group Marketing service fee: 2% of total actual hotel revenue*
	Homm Suites Laguna (formerly known as "Laguna Holiday Club Phuket Resort")	Banyan Tree Hotels & Resorts Pte. Limited	19.10.2015 - 18.10.2035 (a)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	19.10.2015 - 18.10.2035 (a)	- Management fee: 7.5% of gross operating profit
Laguna Banyan Tree Limited	Banyan Tree Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.1.2016 - 31.12.2025 (a)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.1.2016 - 31.12.2025 (a)	- Technical fee: 7.5% of gross operating profit
		Banyan Tree Marketing Group Pte. Ltd.	1.1.2016 - 31.12.2025 (a)	- Group Marketing service fee: 2% of total actual hotel revenue*
Thai Wah Plaza Limited	Banyan Tree Bangkok	Banyan Tree Hotels & Resorts Pte. Limited	1.1.2022 - 31.12.2041	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.1.2022 - 31.12.2041	- Management fee: 10% of gross operating profit
		Banyan Tree Marketing Group Pte. Ltd.	1.1.2022 - 31.12.2041	- Group Marketing service fee: 2% of total actual hotel revenue*
Phuket Grande Resort Limited	Cassia Phuket	Banyan Tree Hotels & Resorts Pte. Limited	20.10.2015 - 19.10.2040 (c)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	20.10.2015 - 19.10.2040 (c)	- Management fee: 7.5% of gross operating profit
		Banyan Tree Marketing Group Pte. Ltd.	20.10.2015 - 19.10.2040 (c)	- Group Marketing service fee: 2% of total actual hotel revenue*
Banyan Tree Gallery (Thailand) Limited	Gallery	Banyan Tree Hotels & Resorts Pte. Limited	1.1.2009 onwards	- Royalty fee: 1% of total revenue

(a) Operator has option to extend for 1 additional period of 10 years.

(b) Operator has option to extend for 1 additional period of 20 years.

(c) Either party may extend the contract period for another 20 years with indefinite number of extension.

* The rate has been applied since 1 July 2016.

- b) The Group has entered into several service and lease agreements in respect of machinery, motor vehicles and equipment. The terms of the agreements are generally between 1 to 5 years.

As at 31 December 2023, the Group has future minimum payments under service agreement, short-term leases and lease of low-value assets amounting to Baht 30 million (2022: Baht 23 million) (the Company only: Baht 1 million, 2022: Baht 1 million).

- c) As at 31 December 2023 and 2022, the Group has future lease payments required under these non-cancellable leases contracts related to villa/unit rental scheme agreements which have not yet commenced as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Payable within:				
In up to 1 year	-	1	-	-
In over 1 and up to 5 years	1	2	-	-

Servitude over land

As at 31 December 2023, some subsidiaries have land servitudes of approximately 11 rai (2022: 13 rai) in Phuket province, which are presented under property development cost and property, plant and equipment.

36. Guarantees

As at 31 December 2023 and 2022, there were bank guarantees amounting to Baht 50 million (the Company only: Baht 0.4 million) issued to various parties on behalf of the Group, mainly provided for the usage of electricity, other utilities and telecommunication channels.

37. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have the reportable segments as follows:

- Hotel business segment relates to hotel and restaurant operations including other relating businesses such as golf club and sales of merchandise.
- Property development segment relates to property sales and sale of holiday club memberships.
- Office rental segment relates to rental and service from land and buildings which managements manage for lease.
- Head office segment relates to expenses incurred by corporate office and is not allocated to other operating segments.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2023 and 2022, respectively.

Intersegment revenues are eliminated on consolidation.

(Unit: Million Baht)

	For the year ended 31 December 2023				Total
	Hotel Business	Property Development	Office Rental	Head Office	
Revenue:					
Segment revenue					
Total revenues	3,966	2,293	40	-	6,299
Intersegment revenues	(265)	(30)	(5)	-	(300)
Revenue from external customers	3,701	2,263	35	-	5,999
Results:					
Segment results	181	537	(4)	(114)	600
Unallocated income					118
Profit from operations and other income					718
Finance income	2	44	-	-	46
Finance cost	(123)	(13)	-	(73)	(209)
Share of profit from investments in associates					10
Profit before income tax expenses					565
Income tax revenue (expenses)	(76)	(120)	3	4	(189)
Profit for the year					376
Other segment information					
Depreciation of property, plant and equipment	350	16	2	7	375
Depreciation of right-of-use assets	1	24	-	-	25

(Unit: Million Baht)

	For the year ended 31 December 2022				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	2,571	2,320	44	-	4,935
Intersegment revenues	(173)	(6)	(8)	-	(187)
Revenue from external customers	2,398	2,314	36	-	4,748
Results:					
Segment results	(260)	510	1	(176)	75
Unallocated income					49
Profit from operations and other income					124
Finance income	-	41	-	-	41
Finance cost	(110)	(26)	-	(66)	(202)
Share of profit from investments in associates					29
Loss before income tax expenses					(8)
Income tax revenue (expenses)	130	(148)	-	31	13
Profit for the year					5
Other segment information					
Depreciation of property, plant and equipment	356	23	2	5	386
Depreciation of right-of-use assets	8	18	-	-	26

Revenue from external customers attributed to the Company's country of domicile and other countries.

(Unit: Million Baht)

	2023	2022
Revenue from external customers		
Thailand	5,973	4,726
Others	26	22
Total	5,999	4,748
Non-current assets other than financial instruments and deferred tax assets		
Thailand	22,292	14,212
Others	7	11
Total	22,299	14,223

For the years 2023 and 2022, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

38. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	1,624	1,624
Property, plant and equipment - land and buildings	-	-	17,422	17,422
Non-listed equity investments	-	-	867	867
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	352	-	-	352

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	1,417	1,417
Property, plant and equipment - land and buildings	-	-	11,334	11,334
Non-listed equity investments	-	-	865	865
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	459	-	-	459

(Unit: Million Baht)

	Separate financial statements			
	31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	227	227
Property, plant and equipment - land and buildings	-	-	19	19
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	352	-	-	352

(Unit: Million Baht)

	Separate financial statements			
	31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	194	194
Property, plant and equipment - land and buildings	-	-	19	19
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	459	-	-	459

39. Financial instruments

39.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash at banks, trade and other receivables, trade and other payables, investments, loans to and loans from. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable from the hotel, space rental, and property development businesses. For the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade accounts receivable

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large and unrelated customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by geographical region, product type, customer type and rating. The Group does not hold collateral as security. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are provision for doubtful debts if past due for more than one year and are not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to trading transactions and borrowings that are denominated in foreign currencies.

As at 31 December 2023 and 2022, the balances of the Group's financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at	
	Financial assets		Financial liabilities		Financial assets		Financial liabilities			
	as at		as at		as at		as at		31 December	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)
US Dollar	1	1	3	1	-	-	-	-	34.1781	34.5141
SGD	-	-	1	-	-	-	-	-	25.9378	25.6818

Interest rate risk

The Group's exposure to interest rate risk relates primarily to their deposits with financial institutions, trade accounts receivable, long-term trade accounts receivable, trade accounts payable, bank overdrafts and loans. Most of the Group's financial assets and liabilities have floating interest rates or fixed interest rates which are close to the market interest rates. The Group does not use derivative financial instruments to hedge such risk.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2023					
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
Within 1 year	Over 1 year to 5 years					
Financial assets						
Cash and cash equivalents	24	-	1,417	12	1,453	0.35 - 0.95
Trade and other receivables	281	-	-	724	1,005	0.00 - 7.00
Other current financial assets	17	-	-	-	17	0.90 - 1.00
Long-term trade accounts receivable	-	499	-	-	499	0.00 - 7.00
Financial liabilities						
Trade and other payables	-	-	-	1,512	1,512	-
Short-term loans from financial institutions	-	-	610	-	610	4.70 - 5.65
Long-term loans from financial institutions	-	-	4,625	-	4,625	2.00 - 5.50

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2022						
Fixed interest rates						
	Within 1 year	Over 1 year to 5 years	Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
<u>Financial assets</u>						
Cash and cash equivalents	24	-	1,146	8	1,178	0.15 - 0.35
Trade and other receivables	285	-	-	617	902	0.00 - 7.00
Other current financial asset	17	-	-	-	17	0.30 - 0.50
Long-term trade accounts receivable	-	421	-	-	421	0.00 - 7.00
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	1,321	1,321	-
Short-term loans from financial institutions	-	-	1,080	-	1,080	3.25 - 4.13
Long-term loans from financial institutions	-	-	4,819	-	4,819	2.00 - 4.25
Long-term loan from related company	-	6	-	-	6	1.50

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2023						
Fixed interest rates						
	Within 1 year	Over 1 year to 5 years	Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
<u>Financial assets</u>						
Cash and cash equivalents	-	-	419	-	419	0.35 - 0.60
Trade and other receivables	-	-	-	163	163	-
Other current financial asset	2	-	-	-	2	0.90
Long-term loans to subsidiaries	-	-	1,335	-	1,335	4.09
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	83	83	-
Short-term loans from financial institutions	-	-	510	-	510	4.70 - 5.65
Long-term loans from subsidiaries	-	-	755	-	755	3.87 - 4.15
Long-term loans from financial institution	-	-	1,374	-	1,374	2.00 - 4.75

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2022						
Fixed interest rates						
	Within 1 year	Over 1 year to 5 years	Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
<u>Financial assets</u>						
Cash and cash equivalents	-	-	45	-	45	0.15 - 0.35
Trade and other receivables	-	-	-	281	281	-
Other current financial asset	2	-	-	-	2	0.50
Long-term loans to subsidiaries	-	-	1,468	-	1,468	3.58
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	121	121	-
Short-term loans from financial institutions	-	-	650	-	650	3.25 - 4.13
Long-term loans from subsidiaries	-	-	479	-	479	1.25 - 4.53
Long-term loans from financial institution	-	-	1,375	-	1,375	2.00 - 2.95

Interest rate sensitivity

As at 31 December 2023, a possible change in floating interest rates of loans from financial institutions from by 1% may affect the Group's profit (loss) before tax by Baht 37 million (2022: Baht 49 million).

The above analysis has been prepared assuming that the amounts of the floating rate loans from financial institutions, and all other variables remain constant over one year. Moreover, the floating legs of these loans from financial institutions are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, trade accounts payable, bank loans and lease contracts. As at 31 December 2023, approximately 38% of the Group's debt will mature in less than one year (2022: 37%) (the Company only: 22%, 2022: 28%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2023				
	On demand	Less than 1 year	1 to 5 Years	Over 5 years	Total
Short-term loans from financial institutions	-	610,000	-	-	610,000
Trade and other payables	-	1,512,269	-	-	1,512,269
Long-term loans	-	481,406	1,056,172	3,096,420	4,633,998
Lease liabilities	-	45,039	20,176	-	65,215
Total	-	2,648,714	1,076,348	3,096,420	6,821,482

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2022				
On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Short-term loans from financial institutions	-	1,080,000	-	1,080,000
Trade and other payables	-	1,321,270	-	1,321,270
Long-term loans	-	296,629	1,071,884	4,829,356
Lease liabilities	-	62,363	37,560	99,923
Total	-	2,760,262	1,109,444	7,330,549

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2023				
On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Short-term loans from financial institutions	-	510,000	-	510,000
Trade and other payables	-	82,909	-	82,909
Long-term loans	-	60,000	335,650	1,378,250
Lease liabilities	-	5,286	4,548	9,834
Total	-	658,195	340,198	1,980,993

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2022				
On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Short-term loans from financial institutions	-	650,000	-	650,000
Trade and other payables	-	120,750	-	120,750
Long-term loans	-	1,500	297,650	1,379,750
Lease liabilities	-	5,526	2,350	7,876
Total	-	777,776	300,000	2,158,376

39.2 Fair value of financial instruments

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash at banks, accounts receivable and accounts payable, their carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- c) The carrying amounts of short-term and long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

39.3 Reconciliation of recurring fair value measurements of financial assets categorised within Level 3 of the fair value hierarchy

	(Unit: Thousand Baht)	
	Consolidated financial statement	
	2023	2022
Non-listed equity investments		
Balance at beginning of year	865,168	846,271
Net gain recognised into other comprehensive income	1,969	18,897
Balance at end of year	867,137	865,168

40. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate financial structure and preserves the ability to continue its business as a going concern and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

According to the statement of financial position as at 31 December 2023, the Group's debt-to-equity ratio was 0.97:1 (2022: 1.30:1) and the Company's was 0.71:1 (2022: 0.68:1).

41. Litigations

A subsidiary was sued by a buyer of property sales project and claimed for refund of his payment in the amount of Baht 20.9 million plus interest 7.5% calculated from Baht 17.2 million from the plaint date because of the delay of the completion of the construction.

On 16 March 2022, the Phuket Provincial Court dismissed the case.

In July 2022, the plaintiff appealed the Phuket Provincial Court's judgement to the Appeal Court.

On 17 October 2022, the subsidiary submitted the counter appeal statement to the Appeal Court.

On 17 March 2023, the Appeal Court reversed the Phuket Provincial Court's judgement and ordered the subsidiary to return of Baht 17.2 million plus interest at 7.5% from the date of the plaint to 10 April 2021 and interest at 5% from 11 April 2021 until the payment has been paid in full.

On 20 April 2023, the subsidiary submitted the appeal statement to the Supreme Court.

As at 30 September 2023, the subsidiary set up provision of Baht 6.7 million for such interest. The principal amount of Baht 17.2 million was previously recorded in advance received from customers account, however; it was reclassified to other payable during the period.

On 27 December 2023, the Supreme Court made an appointment to certify a settlement agreement to settle the outstanding disputes in relation to this case. Moreover, the subsidiary placed Baht 24.4 million to the Supreme Court as a part of such agreement. The Supreme Court postponed the certification to 16 January 2024.

On 16 January 2024, both parties have settled this case at the Supreme Court. The subsidiary agreed to return Baht 24.4 million to the plaintiff and the plaintiff accepted the payment and agreed not to proceed any legal cases against the subsidiary. Therefore, this case has been final.

42. Event after reporting period

On 21 February 2024, the meeting of the Company's Board of Directors passed the resolution to propose to Annual General Meeting of the Company's shareholders for approval of dividend payment from the retained earnings as at 31 December 2023. The dividend will be paid by cash at the rate of Baht 1.35 per share. The payment of the final dividend is dependent on approval being granted by the shareholders.

43. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2024.