Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2023

1. General information

1.1 Corporate 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 five hotels in Laguna Phuket, namely Angsana Laguna Phuket, Banyan Tree Phuket, Angsana Villas Resort Phuket, Cassia Phuket and 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.

**1.2 Basis for the preparation of interim financial information**

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

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

**1.3 Basis of consolidation**

The interim consolidated financial information includes the financial statements of Laguna Resorts & Hotels Public Company Limited (“the Company”) and its subsidiary companies (“the subsidiaries”) (collectively as “the Group”) and has been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022, with no change in shareholding structure of subsidiaries during the current period.

## 1.4 Significant accounting policies

The interim financial information is prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group’s financial statements.

**2. Trade and other receivables**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit: Thousand Baht) | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 31  March 2023 | 31 December 2022 | 31  March 2023 | 31 December 2022 |
|  |  | (Audited) |  | (Audited) |
| Trade accounts receivable |  |  |  |  |
| Trade accounts receivable - hotel operations | 354,268 | 310,699 | 10,100 | 9,280 |
| Less: Allowance for expected credit losses | (46,049) | (38,216) | (6,735) | (6,521) |
| Trade accounts receivable - hotel operations, net | 308,219 | 272,483 | 3,365 | 2,759 |
| Trade accounts receivable - sales of property |  |  |  |  |
| - installments due | 61,634 | 94,211 | - | - |
| Current portion of long-term trade |  |  |  |  |
| accounts receivable | 287,103 | 295,607 | - | - |
| Less: Deferred interest income | (11,621) | (11,061) | - | - |
| Net (Note 5) | 275,482 | 284,546 | - | - |
| Trade accounts receivable - sales of property, net | 337,116 | 378,757 | - | - |
| Trade accounts receivable - sales of holiday club |  |  |  |  |
| memberships and sales and marketing services  for holiday club memberships | 62,993 | 44,651 | - | - |
| Less: Allowance for expected credit losses | (33,649) | (26,393) | - | - |
| Trade accounts receivable - sales of holiday club  memberships and sales and marketing services for  holiday club memberships, net | 29,344 | 18,258 | - | - |
| Total tra­de accounts receivable, net | 674,679 | 669,498 | 3,365 | 2,759 |
|  |  | | (Unit: Thousand Baht) | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 31  March 2023 | 31 December 2022 | 31  March 2023 | 31 December 2022 |
|  |  | (Audited) |  | (Audited) |
| Other receivables |  |  |  |  |
| Amounts due from related parties (Note 3) | 136,972 | 126,788 | 218,813 | 255,722 |
| Villa owner receivables | 75,951 | 90,042 | 3,828 | 4,657 |
| Accrued rental income | 36,466 | 16,461 | 36,466 | 16,461 |
| Other receivables | 36,437 | 24,642 | 3,381 | 1,472 |
| Total other receivables | 285,826 | 257,933 | 262,488 | 278,312 |
| Less: Allowance for expected credit losses | (39,761) | (25,757) | - | - |
| Total other receivables, net | 246,065 | 232,176 | 262,488 | 278,312 |
| Total trade and other receivables, net | 920,744 | 901,674 | 265,853 | 281,071 |

The balances of trade accounts receivable - hotel operations, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated | | Separate | |
|  | financial statements | | financial statements | |
|  | 31 March | 31 December | 31 March | 31 December |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  | (Audited) |  | (Audited) |
| **Age of receivables** |  |  |  |  |
| Not yet due | 63,414 | 110,087 | 197 | 255 |
| Past due |  |  |  |  |
| Up to 30 days | 74,727 | 73,108 | 1,443 | 540 |
| 31 - 60 days | 64,787 | 27,241 | 298 | 413 |
| 61 - 90 days | 31,114 | 9,945 | 199 | 279 |
| 91 - 120 days | 16,342 | 6,286 | 350 | 185 |
| Over 120 days | 103,884 | 84,032 | 7,613 | 7,608 |
| Total | 354,268 | 310,699 | 10,100 | 9,280 |
| Less: Allowance for expected credit losses | (46,049) | (38,216) | (6,735) | (6,521) |
| Trade accounts receivable - hotel operations, net | 308,219 | 272,483 | 3,365 | 2,759 |

The balances of trade accounts receivable - sales of property, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated | | Separate | |
|  | financial statements | | financial statements | |
|  | 31 March | 31 December | 31 March | 31 December |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  | (Audited) |  | (Audited) |
| **Age of receivables** |  |  |  |  |
| Not yet due | 268,836 | 308,393 | - | - |
| Past due |  |  |  |  |
| Up to 30 days | 15,796 | 23,045 | - | - |
| 31 - 60 days | 20,752 | 14,728 | - | - |
| 61 - 90 days | 8,601 | 6,391 | - | - |
| 91 - 120 days | 11,361 | 6,109 | - | - |
| Over 120 days | 23,391 | 31,152 | - | - |
| Total | 348,737 | 389,818 | - | - |
| Less: Deferred interest income | (11,621) | (11,061) | - | - |
| Trade accounts receivable - sales of property, net | 337,116 | 378,757 | - | - |

The balances of trade accounts receivable - sales of holiday club memberships and sales and marketing services for holiday club memberships, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated | | Separate | |
|  | financial statements | | financial statements | |
|  | 31 March | 31 December | 31 March | 31 December |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  | (Audited) |  | (Audited) |
| **Age of receivables** |  |  |  |  |
| Not yet due | 1,981 | 1,775 | - | - |
| Past due |  |  |  |  |
| Up to 30 days | 614 | 1,268 | - | - |
| 31 - 60 days | 1,731 | 531 | - | - |
| 61 - 90 days | 19,161 | 1,060 | - | - |
| 91 - 120 days | 1,267 | 651 | - | - |
| Over 120 days | 38,239 | 39,366 | - | - |
| Total | 62,993 | 44,651 | - | - |
| Less: Allowance for expected credit losses | (33,649) | (26,393) | - | - |
| Trade accounts receivable - sales  of holiday club memberships and sales  and marketing services for holiday club  memberships, net | 29,344 | 18,258 | - | - |

3. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows.

(Unit: Million Baht)

|  | For the three-month periods ended 31 March | | | | |
| --- | --- | --- | --- | --- | --- |
|  | Consolidated | | Separate | | |
|  | financial statements | | financial statements | | |
|  | 2023 | 2022 | 2023 | | 2022 |
| Transactions with subsidiaries | | |  | |  |
| (eliminated from the consolidated financial statements) | | |  | |  |
| Guarantee fee expenses | - | - | 5 | | 5 |
| Interest income | - | - | 13 | | 11 |
| Interest expenses | - | - | 6 | | 2 |
| Management fee income | - | - | 21 | | 15 |
| Reimbursement receipts | - | - | 1 | | - |
| Reimbursement payments | - | - | 18 | | 19 |
| Rental and service income | - | - | - | | 1 |
| Rental and service expenses | - | - | 3 | | 2 |
| Resort service expenses | - | - | 1 | | 1 |
| Transactions with associates |  |  |  | |  |
| Reimbursement receipts | 1 | 1 | - | | - |
| Rental and service income | 4 | 3 | - | | - |
| Transactions with related companies | |  | |  |  |
| Inter resort payments | - | 1 | - | | - |
| Management fee expenses | 87 | 35 | - | | - |
| Purchase of spa and gallery vouchers | 4 | 3 | 1 | | 1 |
| Sale of goods | 1 | 2 | - | | - |
| Reimbursement receipts | 21 | 15 | 4 | | 5 |
| Reimbursement payments | 28 | 16 | 1 | | 1 |
| Rental and service income | - | 3 | - | | - |
| Rental return on hotel units | 1 | 1 | - | | - |
| Service fees | 4 | 7 | - | | - |

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)

|  |  |  |
| --- | --- | --- |
|  | 31 March 2023 | 31 December 2022 |
|  |  | (Audited) |
| Long-term loan facility | 300 | 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)

|  |  |  |
| --- | --- | --- |
|  | 31 March 2023 | 31 December 2022 |
|  |  | (Audited) |
| Short-term loan facilities | 150 | 150 |

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

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated | | Separate | |
|  | financial statements | | financial statements | |
|  | 31 March | 31 December | 31 March | 31 December |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  | (Audited) |  | (Audited) |
| **Amounts due from related parties** |  |  |  |  |
| Subsidiaries | - | - | 197,450 | 236,285 |
| Associated companies | 2,335 | 4,608 | - | - |
| Related companies (related by |  |  |  |  |
| common shareholders) | 134,637 | 122,180 | 21,363 | 19,437 |
| Total amounts due from related |  |  |  |  |
| parties (Note 2) | 136,972 | 126,788 | 218,813 | 255,722 |
| **Amounts due to related parties** |  |  |  |  |
| Subsidiaries | - | - | 30,547 | 48,409 |
| Related companies (related by |  |  |  |  |
| common shareholders) | 197,235 | 164,014 | 5,013 | 7,761 |
| Total amounts due to related parties | 197,235 | 164,014 | 35,560 | 56,170 |

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

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

Long-term loans to subsidiaries

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Separate financial statements | | | |
|  | 31 December 2022 | Addition | Repayment | 31 March 2023 |
|  | (Audited) |  |  |  |
| Laguna Banyan Tree Limited | 989,000 | 17,000 | (119,000) | 887,000 |
| Laguna Holiday Club Limited | 170,500 | 69,500 | (29,000) | 211,000 |
| Laguna Lakes Limited | 285,000 | 3,000 | (2,000) | 286,000 |
| Banyan Tree Gallery (Thailand) Limited | 23,050 | - | - | 23,050 |
| Total | 1,467,550 | 89,500 | (150,000) | 1,407,050 |

Long-term loans from subsidiaries

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Separate financial statements | | | |
|  | 31 December 2022 | Addition | Repayment | 31 March 2023 |
|  | (Audited) |  |  |  |
| Laguna (3) Limited | 14,500 | - | - | 14,500 |
| TWR - Holdings Limited | 255,000 | 125,000 | - | 380,000 |
| Laguna Grande Limited | 209,000 | 285,000 | (129,000) | 365,000 |
| Total | 478,500 | 410,000 | (129,000) | 759,500 |

**Long-term loan from related company**

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | |
|  | 31 December 2022 | Addition | Repayment | 31 March 2023 |
|  | (Audited) |  |  |  |
| Banyan Tree Hotels & Resorts (Thailand) Limited | 6,000 | - | (4,000) | 2,000 |
| Total | 6,000 | - | (4,000) | 2,000 |

**Directors and management’s benefits**

During the three-month periods ended 31 March 2023 and 2022, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | For the three-month periods ended 31 March | | | |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| Short-term employee benefits | 32,486 | 20,535 | 15,843 | 10,330 |
| Post-employment benefits | 936 | 658 | 409 | 230 |
| Other long-term employee benefits | 7 | 7 | 1 | 2 |
| Total | 33,429 | 21,200 | 16,253 | 10,562 |

**4. Property development cost**

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated | | Separate | |
|  | financial statements | | financial statements | |
|  | 31 March | 31 December | 31 March | 31 December |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  | (Audited) |  | (Audited) |
| Land | 1,330,804 | 1,330,804 | 111,429 | 111,429 |
| Land and property under construction | 1,713,180 | 1,611,642 | - | - |
| Land and completed buildings | 685,290 | 740,776 | - | - |
| Total | 3,729,274 | 3,683,222 | 111,429 | 111,429 |
| Less: Allowance for diminution in value | (25,225) | (25,225) | - | - |
| Property development cost, net | 3,704,049 | 3,657,997 | 111,429 | 111,429 |

Subsidiaries have mortgaged property development cost amounting to Baht 1,054 million (31 December 2022: Baht 1,022 million) as collateral against its credit facilities received from financial institutions.

5. Long-term trade accounts receivable

Long-term trade accounts receivable consists of 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 | |
|  | 31 March 2023 | 31 December 2022 |
|  |  | (Audited) |
| Sales of property |  |  |
| Within 1 year | 287,103 | 295,607 |
| Less: Deferred interest income | (11,621) | (11,061) |
| Current portion of long-term trade |  |  |
| accounts receivable, net (Note 2) | 275,482 | 284,546 |
| Over 1 year to 5 years | 408,959 | 435,941 |
| Less: Deferred interest income | (15,257) | (15,219) |
| Long-term trade accounts receivable, net | 393,702 | 420,722 |
| Total | 669,184 | 705,268 |

6. Investments in associates

6.1 Details of associates

(Unit: Thousand Baht)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Consolidated financial statements | | | | | |
| Company’s name | Nature of business | Country of incorporation | Shareholding percentage | | Cost | | Carrying amounts based on equity method | |
|  |  |  | 31 March | 31 December | 31 March | 31 December | 31 March | 31 December |
|  |  |  | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  | (Audited) |  | (Audited) |  | (Audited) |
|  |  |  | (%) | (%) |  |  |  |  |
| Tropical Resorts Ltd. | Holding company | Hong Kong | 25.87 | 25.87 | 17,673 | 17,673 | - | - |
| Less: Allowance for impairment of investment | |  |  |  | (17,673) | (17,673) | - | - |
|  |  |  |  |  | - | - | - | - |
| Thai Wah Public Company Limited | Manufacture and distribution of vermicelli, tapioca starch and other | Thailand | 10.03 | 10.03 | 777,454 | 777,454 | 788,364 | 773,807 |
|  | food products |  |  |  |  |  |  |  |
| Banyan Tree China Pte. Ltd. | Holding company | Singapore | 10.69 | 10.69 | 173,495 | 173,495 | 217,339 | 217,334 |
| Total investments in associates, net | | |  |  | 950,949 | 950,949 | 1,005,703 | 991,141 |

(Unit: Thousand Baht)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Separate financial statements | | | |
| Company’s name | Nature of business | Country of incorporation | Shareholding percentage | | Cost | |
|  |  |  | 31 March | 31 December | 31 March | 31 December |
|  |  |  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  | (Audited) |  | (Audited) |
|  |  |  | (%) | (%) |  |  |
| 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 |
| Total |  |  |  |  | 777,454 | 777,454 |

As at 31 March 2023 and 31 December 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.

6.2   Share of comprehensive income (loss)

        During the three-month periods ended 31 March 2023 and 2022, the Group has recognised their share of profit (loss) from investments in associates in the consolidated financial statements as follows:

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | |
| Company's name | Share of profit (loss) from investments in associates | | Share of other comprehensive income (loss) from investments in associates | |
|  | For the three-month periods ended  31 March | | For the three-month periods ended  31 March | |
|  | 2023 | 2022 | 2023 | 2022 |
| Banyan Tree China Pte. Ltd. | 5 | (195) | - | - |
| Thai Wah Public Company Limited | 9,533 | 17,367 | 5,024 | (1,631) |
| Total | 9,538 | 17,172 | 5,024 | (1,631) |

6.3 Fair value of 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 is as follows:

|  |  |  |
| --- | --- | --- |
|  | (Unit: Million Baht) | |
| Associate | Fair values as at | |
|  | 31 March 2023 | 31 December 2022 |
|  |  | (Audited) |
| Thai Wah Public Company Limited | 429 | 459 |

7. Investment properties

As at 31 March 2023 and 31 December 2022, the subsidiaries have pledged investment properties amounting to approximately Baht 821 million as collateral against credit facilities received from financial institutions.

8. Property, plant and equipment

(Unit: Thousand Baht)

|  |  |  |
| --- | --- | --- |
|  | Consolidated | Separate |
|  | financial statements | financial statements |
| **At cost / revaluation value** |  |  |
| Balance as at 31 December 2022 | 18,355,777 | 124,807 |
| Additions | 59,816 | 5,095 |
| Disposals and write off | (7,070) | (228) |
| Adjustments | (375) | (7,268) |
| Balance as at 31 March 2023 | 18,408,148 | 122,406 |
| **Accumulated depreciation** |  |  |
| Balance as at 31 December 2022 | (5,946,193) | (88,663) |
| Depreciation charged for the period | (93,143) | (772) |
| Disposals and write off | 6,979 | 228 |
| Adjustments | 3 | 1 |
| Balance as at 31 March 2023 | (6,032,354) | (89,206) |
| **Allowance for impairment loss** |  |  |
| Balance as at 31 December 2022 | (159,078) | (2,920) |
| Balance as at 31 March 2023 | (159,078) | (2,920) |
| **Net book value** |  |  |
| Balance as at 31 December 2022 | 12,250,506 | 33,224 |
| Balance as at 31 March 2023 | 12,216,716 | 30,280 |

The subsidiaries have mortgaged land and buildings at fair value of Baht 8,594 million (31 December 2022: Baht 8,634 million) as collateral against credit facilities received from financial institutions.

9. Short-term loans from financial institutions

Short-term loans from financial institutions represent promissory notes with maturity dates within 3 months. Short-term loans from financial institutions carry interest rate of MMR.

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 8 and by the guarantee provided by subsidiaries.

**10. Long-term loans from financial institutions**

Movements in the long-term loans account during the three-month period ended 31 March 2023 are summarised below:

(Unit: Thousand Baht)

|  |  |  |
| --- | --- | --- |
|  | Consolidated | Separate |
|  | financial statements | financial statements |
| Principal as at 31 December 2022 | 4,829,356 | 1,379,750 |
| Less: Repayments | (160,544) | (1,500) |
| Principal as at 31 March 2023 | 4,668,812 | 1,378,250 |
| Less: Deferred financial fees | (9,540) | (3,770) |
| Balance as at 31 March 2023 | 4,659,272 | 1,374,480 |

The loans are secured by mortgage of plots of land and buildings of its subsidiaries, as described in Notes 4, 7 and 8. Certain loans are guaranteed by the Company and the pledge of the 10 million ordinary shares of Thai Wah Public Company Limited, as described in Note 6.1.

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 March 2023, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounting to Baht 187 million (31 December 2022: Baht 323 million).

**11. Income tax**

Interim corporate income tax was calculated on profit (loss) before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2023 and 2022 are made up as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit: Thousand Baht) | |
|  | For the three-month periods ended 31 March | | | |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| **Current income tax:** |  |  |  |  |
| Interim corporate income tax charge | 3,098 | 8,448 | - | - |
| Adjustment in respect of income tax of previous year | (329) | 572 | - | - |
| Write off prepaid withholding tax | - | 61 | - | - |
| **Deferred tax:** |  |  |  |  |
| Relating to origination and reversal of temporary differences | 13,824 | 39,359 | (1,595) | (898) |
| **Income tax (revenue) expenses reported in the income statement** | 16,593 | 48,440 | (1,595) | (898) |

**12. Commitments**

Capital commitment

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

a) The subsidiaries have commitments in respect of constructing new and renovating existing hotel properties amounting to Baht 79 million.

b) The subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 1,807 million.

Operating agreements

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

1. 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. There were no significant changes in terms and basis specified in the agreements during the current period.

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 March 2023, the Group has future minimum payments under service agreement, short-term leases and lease of low-value assets amounting to Baht 34 million (the Company only: Baht 2 million).

c) As at 31 March 2023, 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 | |
| Payable within: |  |  |  |  |
| In over 1 and up to 5 years | 2 | | - | |

Servitude over land

As at 31 March 2023, some subsidiaries have land servitude of approximately 13 rai in Phuket province, which are presented under property development cost and property, plant and equipment.

13. Guarantees

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

**14. Segment information**

The Group is organised into business units based on its products and services. During the period, the Group has not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Group segments for the three-month periods ended 31 March 2023 and 2022 as follows:

(Unit: Million Baht)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | For the three-month period ended 31 March 2023 | | | | |
|  | Hotel | Property | Office |  |  |
|  | Business | Development | Rental | Head Office | Total |
| Revenue:  Segment revenue |  |  |  |  |  |
| Total revenues | 1,193 | 227 | 11 | - | 1,431 |
| Intersegment revenues | (62) | (2) | (2) | - | (66) |
| Revenue from external customers | 1,131 | 225 | 9 | - | 1,365 |
| Results: |  |  |  |  |  |
| Segment results | 172 | (10) | - | (50) | 112 |
| Unallocated income |  |  |  |  | 1 |
| Profit from operations and other income |  |  |  |  | 113 |
| Finance income | - | 11 | - | - | 11 |
| Finance cost | (31) | (3) | - | (18) | (52) |
| Share of profit from investments in associates |  |  |  |  | 10 |
| Profit before income tax expenses |  |  |  |  | 82 |
| Income tax revenue (expenses) | (44) | 14 | - | 13 | (17) |
| Profit for the period |  |  |  |  | 65 |

(Unit: Million Baht)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | For the three-month period ended 31 March 2022 | | | | |
|  | Hotel | Property | Office |  |  |
|  | Business | Development | Rental | Head Office | Total |
| Revenue:  Segment revenue |  |  |  |  |  |
| Total revenues | 587 | 504 | 10 | - | 1,101 |
| Intersegment revenues | (44) | (2) | (2) | - | (48) |
| Revenue from external customers | 543 | 502 | 8 | - | 1,053 |
| Results: |  |  |  |  |  |
| Segment results | (19) | 152 | 1 | (33) | 101 |
| Unallocated income |  |  |  |  | 5 |
| Profit from operations and other income |  |  |  |  | 106 |
| Finance income | - | 10 | - | - | 10 |
| Finance cost | (26) | (5) | - | (14) | (45) |
| Share of profit from investments in associates |  |  |  |  | 17 |
| Profit before income tax expenses |  |  |  |  | 88 |
| Income tax revenue (expenses) | (9) | (48) | - | 9 | (48) |
| Profit for the period |  |  |  |  | 40 |

**15. Litigation**

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.

As at 31 March 2023, the subsidiary set up provision of Baht 6.3 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 this period.

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

**16. Approval of interim financial information**

This interim financial information was authorised for issue by the Company’s Board of Directors on 9 May 2023.