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Veranda Resort Public Company Limited

# ANNUAL REPORT

( Form 56-1 One Report )



SO/ BANGKOK

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## Chairman Message

In 2022, the hotel and tourism business began to recover from the Covid-19 epidemic since the beginning of 2020, from domestic and foreign tourists gradually returning to use the service, and the government tourism stimulation projects have come to help in another way. However, the business still was not at the level before the epidemic.

For 2023, we expect tourism to continue to grow from international tourists and China's opening up the country. However, the Company will still prepare financially for sufficient liquidity to accommodate any possible uncertainties and carefully consider the investment in both hotel and real estate development.

Although the Company has been in a difficult time amid the epidemic situation for three consecutive years, with the support from shareholders, customers, business partners, business partners, and employees, we can continue to develop our business.

On behalf of the Board of Directors, I would like to thank all groups of stakeholders who have always supported the Company's business and commend all executives and employees who have performed their duties to the best of their abilities for the Company's operations. We remain committed to business development together with social responsibility and environment preservation for the Company's business to succeed and grow sustainably.

Chai Jroongthanapibarn

Chairman the Board of Directors

## Message from Chief Executive Officer

Even though at the beginning of 2022, the situation of the COVID-19 that spread throughout the world had not yet returned to normal, in the middle of the year, the trend of the tourism and service industry gradually improved and visibly began to bustle. At the end of 2022, due to the continuous expansion of foreign tourists who travel to Thailand, the performance in the second half of 2022 returned to be close to the pre-Covid period of 2019, a continuous signal of a better direction.

For the real estate business in 2022, the revenue decreased according to the number of remaining condo deliveries and some rooms awaiting transfer of ownership. For the new project, Veranda Pool Villa Hua Hin - Cha Am, ownership transfers are expected to begin in late 2023. As for the Veranda Resort Phuket project, the Company has signed an agreement with Marriott International by bringing the Autograph Collection brand, which has a large customer base of Bonvoy members around the world, to co-manage and develop Veranda Resort Phuket Autograph Collection to create a vacation experience with superior service and make an impression on both domestic and international tourists.

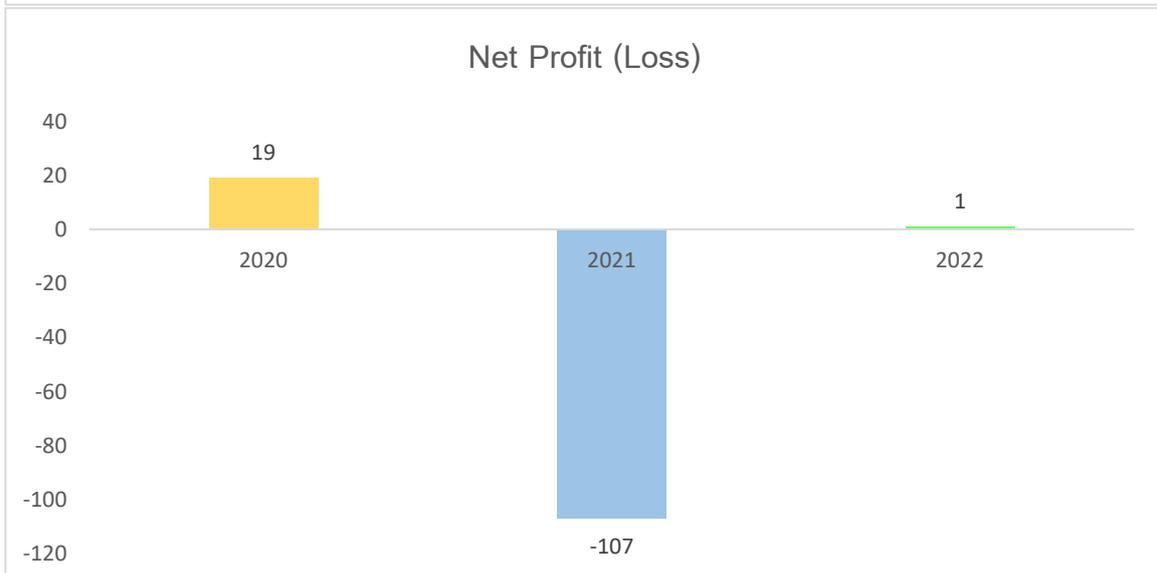
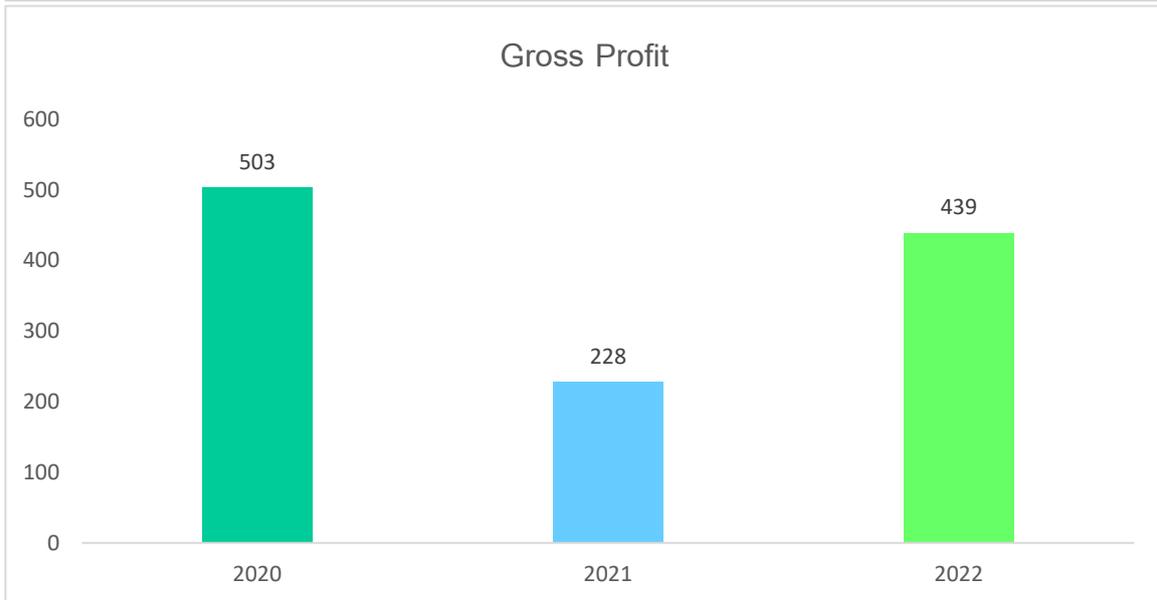
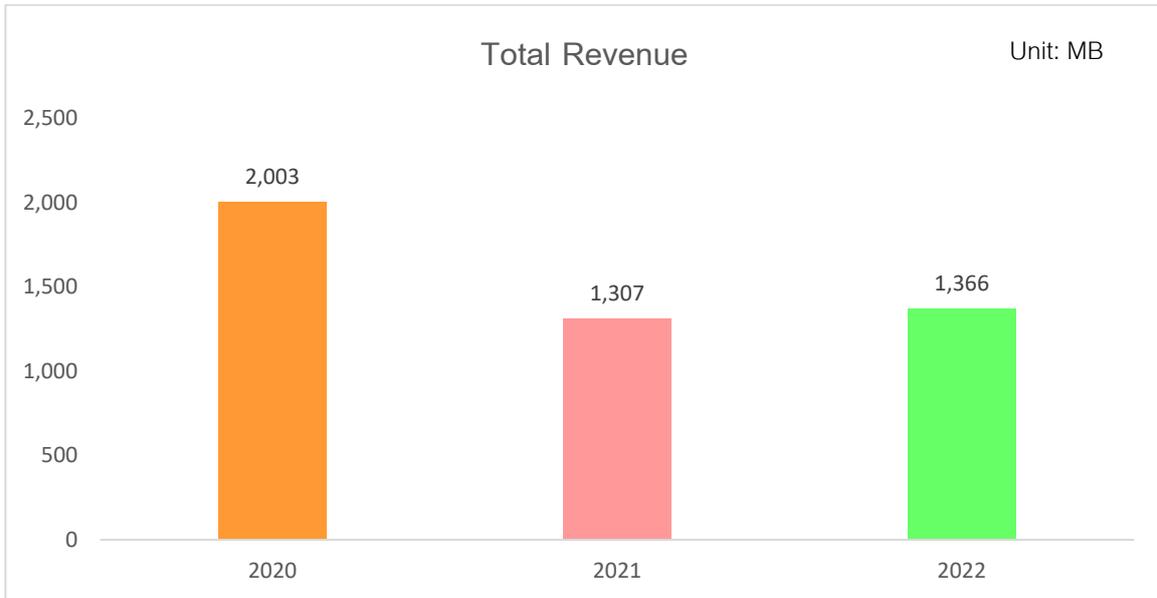
For the food and beverage business, the Company had adapted to the global situation and customer groups by planning sales promotions to generate revenue growth, efficient cost management, and appropriate investment planning for business expansion.

For the trend of the tourism industry in 2023, there is a noticeable recovery because Thailand is a major destination for tourists around the world. Foreign tourists come to travel bustlingly in many tourist cities of Thailand. The Company is confident that 2023 will be the year for the hotel and resort business to return to grow outstandingly. The marketing strategy aimed at targeting foreign and Thai tourists, launching marketing campaigns, and using technology to drive various services under affiliated hotels and resorts will drive the performance of 2023 to fully grow. In addition, the government has approved the "We Travel Together Project Phase 5" to help stimulate tourists in Thailand during March-April, resulting in a steady growth of the annual operating performance according to the target.

On behalf of the Chief Executive Officer and Management of Veranda Resort Public Company Limited, we would like to thank all shareholders, employees, customers, partners, communities, and stakeholders who have always supported us well. This year, we will step out of the crisis with strength, and stability and create sustainable growth by looking for new business opportunities in the future.

Mr. Veerawat Ongvasith  
Chief Executive Officer

**Financial Summary**



**Financial Summary**
**Summary of Veranda Resort PCL.**
**Unit: Million Baht**

Descriptions	2020	2021	2022
<b>Performance summary</b>			
Revenue from hotel business	561.61	395.04	954.54
Revenue from real estate development	1,260.38	756.44	221.89
Revenue from food and beverage businesses	133.49	103.17	116.49
Revenue from management service	17.97	15.79	28.02
Total Revenues	2,002.93	1,307.47	1,365.82
Gross Profit	503.10	228.34	439.37
Profit (Loss) before finance costs and income tax	106.17	(64.26)	71.57
Net Profit (Loss)	18.67	(107.25)	1.11
<b>Statement of financial position</b>			
Total Assets	5,353.74	4,795.43	4,740.70
Total Liabilities	3,284.50	2,865.40	2,809.56
Equity	2,069.25	1,930.03	1,931.14
Earnings per share (Loss)	0.06	(0.34)	0.003
<b>Important financial ratios</b>			
Liquidity ratio (Times)	0.74	0.49	1.15
Gross profit rate to total income %	25.12	17.46	32.17
Net profit rate to total income %	0.93	(8.20)	0.08
Return on assets %	1.96	(1.27)	1.50
Return on equity %	0.90	(5.36)	0.06
Debt to equity ratio (Times)	1.59	1.48	1.45

## The Board of Directors



Mr.Chai Jroongthanapibarn  
Chairman of the Boards / Independent Director /  
Chairman of Nomination & Remuneration Committee



Mr.Verawat Ongvasith  
Vice Chairman of the Board / Chairman of  
Executive Director / Chief Executive Officer



Mr.Paiboon Kujareevanich  
Chairman of Audit Committee / Independent Director  
Member of Nomination & Remuneration Committee /  
Chairman of Risk Management Committee



Mr.Trairak Tengtrairat  
Member of Audit Committee /  
Independent Director

## The Board of Directors



Mrs. Siriporn Maneepun  
Member of Audit Committee / Independent Director



Mrs. Tosaporn Angsuwarangsi  
Director / Member of Risk Management  
Committee / Executive Director /  
Chief Financial Officer



Mrs. Napassorn Sunthornmanokul  
Director / Executive Director



Mr. Surasak Wongkiattavorn  
Director / Member of Risk Management  
Committee / Executive Director / Vice  
Executive Officer of Hotel Operation

## The Board of Directors



Mr.Kittisak Sopchokchai  
Director / Member of Risk Management Committee



Mr.Siriwat Vongjarukorn  
Director / Member of Nomination &  
Remuneration Committee

## Part 1

### Business Operations and Performance

#### 1. Policy and Overall Business

Veranda Resort Public Company Limited (“the Company”) was established on 10th October 1991 with an initial authorized capital of 1,000,000 baht. Later in 2002, Mr. Verawat Ongvasith’s group jointly invested in the Company to operate hotel, real estate, food and beverage businesses under the operation of the Company and was listed on the Stock Exchange of Thailand on 3<sup>rd</sup> May 2019. At present, there are 8 subsidiary companies: 1) Hua Hin Pool Suite Company Limited (“HHP”); 2) Oak Tree Company Limited (“OKT”); 3) Veranda Beach Pattaya Company Limited (“VBP”); 4) Oak Tree Realty Company Limited (“OTR”); 5) The Isa Resort Company Limited (“ISA”); 6) Veranda Cuisine Company Limited (“VCS”); 7) PDS Holding Company Limited (“PDS”); 8) Veranda Pastry Company Limited (“VPT”) (collectively referred to as “Corporate Group” or Company and Subsidiaries).

#### Vision, Mission, and Operational Goals of the Company Group

The Company has a business goal of being a leading operator in the hotel business, real estate development business, including food and beverage business by focusing on being the destination of the customer and creating a memorable experience to remind customers of the Company Group first when they want to relax, have accommodation or dining and dessert. In addition, the Company’s management has communicated to employees at all levels of the Company Group for everyone to participate in leading the Company Group towards the same goal. The Company has a vision, mission, and goals as follows:

##### Vision

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

##### Missions

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

##### Core Value

V – Value:	Create maximum value for stakeholders.
E – Entrepreneur:	Has a good entrepreneurial spirit.
R – Respect:	Respect opinions and needs of all parties.
A – Accountability:	Has a good awareness to all stakeholders.
N – Neat:	Every creation is exquisite.
D – Development:	Develop the organization for relentless
A – Attractive:	Has a unique charm that spells every



## Business Goal

The goal of operating the business of the Company is to be the leading hotel in the country by providing a comprehensive service that fully meets all the customers' needs and maintains the same level of service quality everywhere to impress customers who have come to use the service and recommend others to use the service with impressions.

With a commitment to maintaining service standards for all target groups of customers, hotels and business groups in the Company Group have gained more popularity from customers, begun to be widely known, and be able to expand more customer base. Additionally, the locations of the hotel that are important tourist destinations, including Pattaya, Hua Hin, Chiang Mai, Samui, as well as hotels in Bangkok, make them possible to meet the customers' needs and cover many regions of the main tourist attractions.

In addition, the company has plans to expand the hotel business, real estate, and restaurants to Phuket, a tourist destination in southern Thailand that is popular with both domestic and international tourists, in order to increase income and expand the service area thoroughly.

## Strategies

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

## Major Changes and Developments in The Past 10 Years

Year	Details
2012	- The SO Sofitel Bangkok Hotel was opened with 237 rooms at Sathorn Sub-district, Bangkok District, Bangkok Province.
2013	- The Company increased its authorized capital to 400 million baht (250 million baht of paid-in capital) to invest in the OKT.
2014	- The VBP, a company under the same control as the Company arising from a joint venture between Mr. Verawat Ongvasit's group, Mr. Sakorn Suksriwong's group, and other shareholders, launched the second residential condominium project under the name of "Veranda Residence Pattaya" in the high-rise category. The 35-storey residential condominium consisting of 325 units and 4 pool villas, 329 rooms in total, located in Na Jomtien, Mueang Pattaya District, Chonburi Province. The total project value was approximately 1,946 million baht.
2015	- The Company established the Veranda Cuisine Company Limited with the objective to operate food and beverage business; and opened the first dessert and beverage restaurant under the name of "Skoop Beach Café" Pattaya Branch.  - The Company acquired all shares of The Isa Resort Company Limited from a third party. The ISA operates the Rocky's Boutique Resort Hotel with 50 rooms in Maret Sub-district, Koh Samui District, Surat Thani Province.

Year	Details
	<ul style="list-style-type: none"> <li>- The VBP opened the Veranda Resort Pattaya with 145 rooms located in Na Jomtien Sub-district, Mueang Pattaya District, Chonburi Province.</li> </ul>
<b>2016</b>	<ul style="list-style-type: none"> <li>- The Company increased its authorized capital to 1,223.41 million baht (1,223.41 million baht of paid-in capital) in order to adjust the shareholding structure within the Group by issuing capital increase shares of 823.41 million baht and 186.68 million baht to exchange for the Company's common stock with the common stock of existing shareholders of 1) OTR, 2) OKT, and 3) VBP at the rate of 0.10 OTR's existing common stock per 1 common stock of the Company, 0.20 OKT's existing common stock per 1 common stock of the Company, and 2.67 VBP's existing common stock per 1 common stock of the Company. The Company also issued capital increased shares of 636.73 million baht to repay the loans of existing shareholders. Therefore, after the shareholders restructuring, the Company held 99.99 percent of the shares in all 3 companies.</li> <li>- The VCS sold the assets of the Skoop Beach Café, Pattaya Branch and allowed the VBP to continue the business.</li> <li>- Opened 26 additional rooms in Veranda Resort Hua Hin project, resulting in a total of 137rooms.</li> </ul>
<b>2017</b>	<ul style="list-style-type: none"> <li>- The Company started developing a low-rise residential condominium under the project name of "Veranda Residence Hua Hin", 3-7-storey residential condominium project with 270 units worths approximately 2,461 million baht.</li> <li>- The Company opened the second restaurant in the category of dessert and beverage, called the "Skoop Beach Cafe", Hua Hin Branch.</li> <li>- The Veranda Residence Pattaya project was completed and ready to transfer the ownership.</li> </ul>
<b>2018</b>	<ul style="list-style-type: none"> <li>- Opened a dessert and beverage restaurant under the name of "KOF", the first branch located on the ground floor of SO Sofitel Bangkok and operated by the OKT.</li> <li>- Opened the dessert and beverage restaurant under the name of "KOF", the second branch located at J Avenue Thonglor and operated by the VCS.</li> <li>- The Company registered as a public company and changed its name to "Veranda Resort Public Company Limited" on 5th September 2018.</li> </ul>
<b>2019</b>	<ul style="list-style-type: none"> <li>- The Company was listed on the Stock Exchange of Thailand (SET) and had its initial public offering (IPO) on 3<sup>rd</sup> May 2019 with the authorized capital of 1,750,000,000 baht and 1,598,408 baht for paid-in capital, divided into 319,681,672 of common stock with a par value of 5.00 baht.</li> <li>- The Company acquired all shares of the PDS Holding Company Limited, which owned 4 Master Franchise of the "Gram Pancakes" and 3 branches of the "Pablo Cheese Tart".</li> </ul>
<b>2020</b>	<ul style="list-style-type: none"> <li>- The Company launched a new 38 rooms hotel on the beach near Khao Takiab, Hua Hin District, Prachuap Khiri Khan Province, under the name of "VERSO Hua Hin" – a Veranda Collection.</li> <li>- PDS has expanded 5 branches of the Gram Pancakes.</li> <li>- The VCS has expanded a branch of "KOF"</li> <li>- The Company began the transfer of condominium ownership of the Veranda Residence Hua Hin.</li> <li>- The ISA improved the scenery of the Rocky-Samui Hotel in the lobby area at the hotel entrance and swimming pool to have a unique style of Veranda Resort.</li> </ul>
<b>2021</b>	<ul style="list-style-type: none"> <li>- Renovation Rocky Samui hotel and Re-Brand to the name as Veranda Collection Samui-Rocky Resort</li> <li>- PDS has expanded 5 branches of Gram Pancakes, totally 13 branches</li> <li>- VCS has expanded 5 branches of "KOF"</li> <li>- VCS invested in "Veranda Pastry" to operate in food and beverage business with registered capital of 5.00 million baht</li> </ul>

Year	Details
2022	<ul style="list-style-type: none"> <li>- The Company started to develop and open a pre-sale under the project name “Veranda Pool Villa Hua Hin – Cha Am”, a villa in Cha Am – Hua Hin. The project value is around 350–400 million baht, which is still under construction.</li> <li>- The Company started the construction of the “Veranda Pool Villa Hua Hin – Cha Am” project in the part of the hotel.</li> <li>- The Company started to develop low-rise residential condominiums and villas in Phuket with a project value of approximately 700 million baht.</li> <li>- The Company started the construction of the “Veranda Resort Phuket” in the part of the hotel.</li> </ul>

### Overview of hotel business and tourism industry

The hotel business tends to improve and it is expected that the business will continue to recover in 2023 because foreign tourists still return to travel, especially from China which will open the country for tourists to travel outside the country, together with the global economy that has recovered. The number of foreign tourists is expected to grow at an accelerated rate during 2023–2024 and will recover to a level similar to the pre-COVID-19 period (38–40 million people) in 2025. The number of Thai tourists tends to continue to recover due to measures to stimulate the domestic tourism market. The nation-wide occupancy rate is likely to remain at an average level of more than 55% in 2023 and 65% in 2024.

Foreign tourists are increasing at an accelerated rate, with the number of foreign tourists expected to reach 25 million in 2023, a significant increase from the previous year as Chinese tourists, the main market, have lifted the Zero-COVID policy, and the global economy is recovering from the Russo-Ukrainian War.

- 1) Thailand’s full reopening on July 1<sup>st</sup>, 2022, has boosted the number of foreign tourists, especially in key tourist destinations such as Bangkok, Pattaya, and Phuket.
- 2) Countries relax strict restrictions on travel as the vaccination rate is more comprehensive, which builds confidence for tourists.
- 3) The Chinese market, Thailand’s most important tourism market, is expected to gradually relax travel restrictions around mid-2023, and Thailand is one of the destinations for Chinese tourists.
- 4) The government has continuously implemented measures to stimulate tourism, such as creating a travel bubble between Thailand and main countries such as China and India, including road shows that aim to penetrate new high-end markets such as Saudi Arabia.
- 5) The charm of Thai tourism that attracts the attention of tourists continues to support the tourism potential of Thailand to remain outstanding on the world stage. According to Visa’s latest Global Travel Intentions Study, Thailand was ranked 4<sup>th</sup> among the world’s most desirable travel destinations after the US, UK, and India, with Bangkok, Phuket, Chiang Mai, and Hua Hin being the destinations that global travelers search for information the most online.

2023 will be the year that the hotel business and tourism industry return to growing brightly under the support of foreign tourists with the idea of creating Thai tourism as high-value tourism based on responsible tourism and appropriate supply, focusing on marketing potential to earn more revenue than quantity to support the post-COVID world.

## Overview of real estate business

In 2022, residential real estate market activity indicators reflected a better recovery but were not yet thorough. Residential real estate developers accelerated investment in new projects due to confidence in the economic recovery after the COVID-19 subside and the recovery of the tourism sector. However, when considering the new housing trading activity, it had not recovered thoroughly because the overall purchasing power of households was still fragile due to the high cost of living and debt burden. Even though in the last two months of 2022, there would be an acceleration in the number of ownership transfers for housing due to the end of the LTV relief measures at the end of the year, it still depended on the ability and qualifications of the residential buyers.

However, there were still negative factors that may cause the overall economy and the real estate sector to slow down, such as the Russo-Ukrainian War, which caused the price of oil and the cost of living to rise, construction material prices increased, construction labor shortage and rising household debt, including an increase in interest rates. These factors may cause the real estate market to recover more slowly than expected, causing the supply of housing units in 2022 in terms of building permits to shrink by 2.7 percent compared to 2021.

The housing market trend in 2023 is expected to be more cautious as the supporting factors began to fade when the Bank of Thailand did not renew the LTV relaxation measures (ended 31 December 2022). The market must monitor whether the authorities will renew measures to reduce fees for purchase of housing. The economic recovery is highly uncertain, purchasing power is still fragile, interest rates are in an upward direction, high competition in the business, and the accumulated number of backlogged homes will continue to put pressure on future purchase of housing and investment activities.

In 2023, the transfer of ownership is likely to be around 1.75–1.82 hundred thousand units, or 2.8% contraction to a 1.1% expansion, compared to the expected growth of 7.5% in 2022. While launching new housing projects may be reduced to 8.9–9.6 thousand units, or a 6.3% contraction to a 1.1% expansion, compared to a growth of about 57.1% in 2022.

## Overview of food and beverage business

The growth of the Thai restaurant business in 2023 is likely to continue to generate revenue but in a slower direction compared to 2022. The recovery is specific to service type and area in which a group of limited-service restaurants, restaurants in tourist areas, and restaurants in shopping centers have a good chance of recovery.

There are positive factors from normal economic activities in the country and a recovery in tourism, along with the marketing of restaurant business operators to collaborate with online platform providers to deliver food to accommodation, including branch expansions of large operators, adjusting the service model to limited service to reduce costs and accommodate changes in consumer behavior. In addition, new restaurant chains from foreign countries are brought in to penetrate new customer groups. However, the overall recovery of the restaurant business is still fragile since the purchasing power has not fully recovered. The cost of operation continues to increase, especially the price of cooking gas and electricity in the country increase in line with world energy prices.

For a factor challenging the restaurant business, such as cost, Kasikorn Research Center estimates that in 2022, the overall cost of restaurant business would increase by an average of more than 14% compared to the average of 2021, causing many restaurant operators to adjust and increase food prices with an average increase of about 10% from 2021.

In addition, there is high competition in the restaurant business. Consumer behavior is changing rapidly, and consumers have a variety of choices, causing new investors to be careful in investing and must pay attention to business cost management. Business growth is still on a cautious basis. In 2023, the total value of the restaurant business should be around 4.18–4.25 billion baht, growing by 2.7%–4.5%, decelerating from a 12.9% growth in 2022. However, the value of the restaurant business is still lower than it was before COVID due to the challenging recovery of full-service restaurants.

**Business Operation overview**
**Revenue Structures of the Company group**

Unit: Million Baht

Business Type	2020		2021		2022	
	Revenues	%	Revenues	%	Revenues	%
Hotel	561.6	28.0%	395.0	30.2%	954.5	69.9
Property	1,260.4	62.9%	756.4	57.9%	221.9	16.2
Food – Beverage	133.5	6.7%	103.2	7.9%	116.5	8.5
Management Service	18.0	0.9%	15.8	1.2%	28.0	2.1
Other	29.50	1.5%	37.0	2.8%	44.9	3.3
<b>Total Revenues</b>	<b>2,002.9</b>	<b>100.0%</b>	<b>1,307.4</b>	<b>100%</b>	<b>1,365.8</b>	<b>100.0%</b>

**The business operation of the company group**

The company and its subsidiaries have operated the hotel, real estate development, and food and beverage business. As of December 31, 2022, the company has 6 hotel projects that are currently in operation and 2 hotel that is under construction design and permission. The company has 3 residential projects are ready to move in and 2 hotels is under construction design and permission. Besides, the company group own 30 restaurants and cafés. The details are as follows;

**Hotels Business**

The Company Group invests and develops hotel projects under the Company Group's operations or as an acquisition of other existing hotels. However, to do so, there must be the assessment of the project's feasibility and study on the value of the investment, and must be under the Company's specified hotel and condominium project development process. For hotels that the Company Group has invested and developed, the Company Group will choose a brand suitable for its location and target customers. The brand "Veranda Resort", the main brand of the Company, will focus on the location with beautiful natural scenery, near tourist attractions, or a city of tourism which is a suitable location and has potential in the future. The Company Group may use a global brand to suit its target customers, location, image, or the hotel's market positioning under the concept that each hotel project will have a unique style and identity according to the company's design. The design of each project takes into account the location, environment, and tourist attractions under the concept of "Contemporary Architecture" (Modern Contemporary), which makes the hotels of the Group differ from other hotels.

The company has developed VRANDA's hotel business with an in-depth understanding of customer insight, enabling the company to achieve great success. Under the business expansion concept of "Veranda Collection", which has the strengths of cost-effectiveness and small investments to build a hotel with a suitable number of rooms and services, it aims to create a memorable vacation experience for visitors.

Additionally, the Company Group chooses to use the brand “SO” which is a French global brand. The hotel project will focus on the design that is unique and different in architecture, emphasizing the aspects of lifestyle diversity, the balance of the five elements, and city’s liveliness as a basis for hotel design. For the hotel business of the Company Group to perform, compete with other hotel operators, attract customers to use the service, the Company Group has to repair and renovate each hotel building to look new, modern to follow the customers’ needs. In this regard, the Company Group will plan and reserve a budget for major maintenance and repair at approximately two percent of the hotel business revenue each year. The Company Group has a policy for major improvement and repair every 10–15 years. The details of the hotel business operations of the Company Group are as follows:

## **1. Veranda Resort & Villas Hua Hin Cha Am**

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

### 1. Restaurants and bars

#### 1.1 Dining Room Restaurant

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

#### 1.2 I-Sea Beach Bar and Restaurant

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

### 2. Conference and meeting rooms

#### 2.1 Conference room

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

#### 2.2. Meeting room

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

### 3. Other services

#### 3.1 Veranda Spa

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

#### 3.2 Swimming pool

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

#### 3.3 Fitness

The fitness center equipped with multigym equipment including treadmills, static bike, cardio area, and weight lifting machine. The fitness can serve a maximum of 5 guests.

### 3.4 Kid's club

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

## 2. Veranda High Resort Chiang Mai

Veranda the High Resort Chiang Mai covers the total area of 22-2-18 Rai. The hotel consists of 5 types, 71 rooms, where is located at 192 Moo 2 Samerng-Hangdong Road, Bangpong Sub-district, Hangdong District, Chiang Mai 50230, Thailand, which is a designed hotel with the buildings and other facilities. Details are as follows;

### 1. Restaurants and bars

#### 1.1 The Higher Room Restaurant

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

#### 1.2 Rabiang Cha restaurant

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

#### 1.3 Lobby Bar

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

### 2. Conference and meeting rooms

#### 2.1 Conference room

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

#### 2.2 Meeting room

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

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

### 3. Other services

#### 3.1 Veranda Spa

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

### 3.2 Swimming pool

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

### 3.3 Fitness

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

### 3.4 Kid's club

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

### 3.5 Cultural Pavilion

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

## 3. SO Bangkok Hotel

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

### 1. Restaurants and Bars

#### 1.1 Chocolab

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

#### 1.2 Red Oven Restaurant

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

#### 1.3 Mixo

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

#### 1.4 The Water Club

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

### 1.5 Hi-So Rooftop Bar

Located at the 29<sup>th</sup> floor of the hotel, Hi-So Rooftop Bar serves tailor-made a la carte dinner and all kind of drink including alcohol drinks and fruit juice. The restaurant can service for up to 50 guests.

### 1.6 KOF

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

## 2. Conference and meeting room

### 2.1 Ballroom

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

### 2.2 Social Club

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

### 2.3 The Box

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

### 2.4 Solution Center

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

## 3. Other services

### 3.1 SO/ SPA

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

### 3.2 Swimming pool

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

### 3.3 SO/ FIT

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

## 4. Spaces for rent

4.1 Hotel’s 10<sup>th</sup> floor is rented out for beauty salon

4.2 Hotel’s 12<sup>th</sup> floor is rented out commercial banks

4.3 Hotel’s sidewall is rented out for LED advertising board

4.4 Hotel’s 29<sup>th</sup> and 30<sup>th</sup> roof top floor is rent out for “Cassette” foods and beverages

4.5 Hotel’s 1<sup>st</sup> floor is rent for “SORA” foods and beverages

#### 4. Veranda Resort Pattaya Na Jomtien

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

##### 1. Restaurants and Bars

###### 1.1 The Deck Restaurant

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

###### 1.2 Waves

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

###### 1.3 I-Sea Sky

I-Sea Sky serves a la carte menu for lunch, afternoon break, and dinner where the guest can sit at the 2<sup>nd</sup> floor of the restaurant and can enjoy the scenic view of Pattaya beach, with the capacity up to 74 guests.

###### 1.4 The Jetty

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

###### 1.5 The Glass Room-Espresso Bar

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

###### 1.3 Skoop Beach Café

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

##### 2. Conference and meeting rooms

###### 2.1 Conference room

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

###### 2.2 Seminar room

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

##### 3. Other Services

###### 3.1 Let's Relax

Hotel rental spaces for health massage business. Let's Relax offers a full range of health massage services such as oil massage, foot massage, etc.

### 3.2 Swimming pool

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

### 3.3 Fitness

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

## 5. Veranda Collection Samui – Rocky Resort

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

### 1. Restaurants and Bars

#### 1.1 The Dining Room

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

#### 1.2 The Bistro Restaurant

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

#### 1.3 Pool Bar

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

#### 1.4 The Glass Room–Espresso Bar

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

### 2. Conference and meeting rooms

#### 2.1 Conference Room

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

### 3. Other services

#### 3.1 Spa and Thai massage

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

### 3.2 Swimming Pool

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

### 3.3 Kid's Club

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

### 3.4 Garden Sala

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

### 3.5 Fitness

The fitness center equipped with a multigym equipment's including treadmills, static bike, and weight lifting machine. The fitness is located at the 1<sup>ST</sup> floor of the hotel building and can service maximum of 5 guests.

## 6. Verso Hua Hin – A Veranda Collection

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

### 1. Restaurant and Bar

#### 1.1 The Dining Room

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

#### 1.2 The Page Beach Bar

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

#### 1.3 Skoop Beach Café

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

### 2. Conference and meeting rooms

#### 2.1. Executive Board Room

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

### 3. Other Services

#### 3.1 Verso Spa

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

### 3.2 Swimming Pool

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

### 3.3 Fitness

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

### 3.4 Kid's Club

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

#### **Hotels under construction as follows:**

1. Veranda Resort Pool Villas Huahin-Cha Am	
<b>Address</b>	Phetkasem Road, Cha Am, Phetchaburi
<b>Project Category</b>	Pool Villas
<b>Project Area</b>	1-2-79.4 Rai
<b>Units</b>	2 Units
<b>Room type</b>	Pool Villas
<b>Estimated Investment</b>	45 Million Baht
<b>Customers Target</b>	Groups of tourists who want privacy and a comfortable vacation experience.
<b>Project starts (approx.)</b>	Quarter 4/2022
<b>Project Finish (approx.)</b>	Quarter 4/2023
<b>Opening (approx.)</b>	Quarter 4/2023
<b>Project progress</b>	design and construction process

## 2. Veranda Resort Phuket

<b>Address</b>	Wichit, Meuang Phuket, Phuket
<b>Project Category</b>	Hotels
<b>Project Area</b>	10-3-16.1 Rai
<b>Units</b>	160 Units
<b>Room type</b>	Mix
<b>Estimated investment</b>	1,200 Million Baht
<b>Customers Target</b>	Groups of tourists who want privacy and a comfortable vacation experience.
<b>Project starts (approx.)</b>	Quarter 4/2022
<b>Project Finish (approx.)</b>	Quarter 4/2024
<b>Opening (approx.)</b>	Quarter 4/2024
<b>Project progress</b>	design and construction process



## Real Estate Development Business

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

### The completed development project and in process of sale

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

2) Veranda Residence Pattaya	
<b>Address</b>	Veranda Residence Pattaya 211 Moo1 Na Jomtien Soi4 Na Jomtien Subdistrict, Pattaya, Chon Buri 20250
<b>General Information</b>	VBP launched the development of Veranda Residence Pattaya as a first High-Rise residential project in 2015 and finished the construction in the thrid quarter of 2017
<b>Project Area</b>	3-1-88 Rai
<b>Project Category</b>	A 35-Storey High Rise residential property with 4 units of Pool Villa
<b>Unit</b>	329 units
<b>Price Per Unit</b>	Approximately 3.4 - 27.2 Million Baht
<b>Project Strength</b>	Veranda Residence Pattaya introduces a modern contemporary High-Rise residential property with the company's resort-style format. Every unit of the property can experience a touch of holiday relaxation through a sight of the sea view and a beach front connected to the property area. Veranda Residence Pattaya also provides a magnificent set of facilityand service as to the hotel standard of Veranda, including 40-metre long swimming pool, spacious communal area, fitness suite, steam room, garden and parking space.

3) Veranda Residence Hua Hin	
<b>Address</b>	Veranda Residence Huahin, Khao Takiap Road, Nong Kae, Hua Hin District, Prachuap Khiri Khan 77110
<b>General Information</b>	This project has been under development and continuing a presale process, aiming to present the company's second Low-Rise residential property. The construction began in the first quarter of 2018, due to finish the development in the second quarter of 2020
<b>Project Area</b>	11-0-81 Rai
<b>Project Category</b>	5 Buidlings of A Low Rise (3-7 Storey) Residential Property with 1 Parking Building
<b>Unit</b>	270 Units
<b>Price Per Unit</b>	Approximately 4.4 - 38.0 Million Baht
<b>Project Strength</b>	Veranda Residence Huahin presents a Low-Rise residential property project with its modern contemporary design concept. This project allowing the resident to live close to nature and serenity with connecting beach front. Veranda Residence Huahin also handpicks pieces of furniture in an exquisite Quattro Design laying a stylish sense of living as well as accomodates excellence of facilities including one of the largest swimming pool in Huahin and fitness suite. The location of this project sits on a prime area of Huahin, providing convenience in traveling and close to the hospital, shopping malls and tourist famous spots.

**Residential projects under design and construction as follows:**

1) Veranda Pool Villas Hua Hin-Cha Am	
<b>Address</b>	Phetkasem Road, Cha Am, Phetchaburi
<b>Project Area</b>	3-0-10.0 Rai
<b>Project type</b>	Vacation Home
<b>Unit</b>	12 Units
<b>Price Per Unit</b>	About 30 million Baht
<b>Investment (Approx.)</b>	300 Million Baht
<b>Project Strength</b>	Unique design, privacy and location
<b>Customers Target</b>	Customers who like design and need a second home to relax.
<b>Starting Sale (Approx.)</b>	Quarter 3/2022
<b>Starting Construction (Approx.)</b>	Quarter 3/2022
<b>Expected construction completion</b>	Quarter 4/2023
<b>Project Progress</b>	Design and Construction

2) Veranda Residence Phuket	
<b>Address</b>	Wichit, Muang Phuket, Phuket
<b>Project Area</b>	9-1-50.3 Rai
<b>Project type</b>	Low Rise Condominium and Vacation Home
<b>Unit</b>	Condominium 12 Units and 5 Units of Vacation home
<b>Price Per Unit</b>	About 18 million Baht and 90 million Baht
<b>Investment (Approx.)</b>	400 million Baht
<b>Project Strength</b>	A different design privacy and location near the city
<b>Customers Target</b>	Thai and foreigner customers who like design and travel in Phuket downtown area.
<b>Starting Sale (Approx.)</b>	Quarter 4/2022
<b>Starting Construction (Approx.)</b>	Quarter 4/2022
<b>Expected construction completion</b>	Quarter 4/2024
<b>Project Progress</b>	Design and Construction

**Food and beverage business**

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

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

2. KOF	
<b>Brand</b>	KOF
<b>Type of Business</b>	Beverage and dessert
<b>Branch</b>	7 Branches
<b>Type of Service</b>	<p>KOF operates a beverage and dessert business providing excellent service through its menu including coffee, other drink menus and dessert. Using the concept of "Grab &amp; Go", KOF makes use of spaces through modern contemporary design where customers can sit inside or outside the cafe with a maximum service of 20 customers per branch. This menu also comprises more than 20 categories of tasty selection as follow,</p> <ul style="list-style-type: none"> <li>- Choices of beverage such as KOF Kone, Camo Latte, Marocchino and Belgian Chocolate</li> <li>- Dessert menus, for instance, Chocolate, Canale Cookie Seasonal Pastries and Croissant</li> </ul>

3. Gram Pancakes	
<b>Brand</b>	Gram Pancakes
<b>Type of Business</b>	Beverage and dessert
<b>Branch</b>	12 branches
<b>Type of Service</b>	<p>Gram Pancakes operates a beverage and dessert business providing excellent service through its menu including coffee. Main menu is Pancake. The highlight is the soft and fresh. Design in minimal Japanese style concept Suitable for relaxing and taking photos on Social Network.</p> <ul style="list-style-type: none"> <li>- Premium Pancakes, a famous bouncy, soufflé-like and warm pancake from Osaka presents a different texture by using 20 minute slow-baked technique and handpicked Japanese ingredients to maintain its premium quality, fresh-baked smell and exclusive taste for the customers</li> <li>- Premium To Go offers a to-go option for GRAM pancake fans where they can enjoy its warm bouncy Premium Pancakes with extreme fillings of Nama Milk Cream in the middle, available for a takeaway or through delivery service applications: Grabfood, Lineman and Foodpanda</li> </ul>

4. Pablo Cheesetart	
<b>Brand</b>	Pablo Cheesetart
<b>Type of Business</b>	Beverage and dessert
<b>Branch</b>	9 Branches
<b>Type of Service</b>	<p>A dessert cafe runs under the name of “Pablo Cheese tart”, offering selections of dessert and beverage. Its famous Cheesetart menu becomes unique by the taste and aromatic smell of cheese and seasonal menus for special occasions. Pablo also comes up with the concept of “Grab &amp; Go” which requires less space for shops and more convenient for a pop-up kiosk for the events</p>



## Marketing of the Company

### Creating a Uniqueness and trademark to be recognized and remembered by the customers (Brand Awareness)

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

The Corporate Group has designed the hotel and residential condominium projects in accordance with the identity of the Company by partnering with well-known architectural and engineering design companies in the country. For example, the rooms are designed to feel the comfort of home by utilizing the maximum usable space, decorating the garden and the hotel area to have a clear view of the nature, as well as the unique design of the “Infinity Pool” that represents the Corporate Group’s identity. Moreover, it has been marketing to create awareness and recognition of the hotel styles and the Company’s trademark through marketing on various online media. It creates word of mouth and makes the service and trademark of the Company become well known and be able to create memories in a wide range of consumers. This can be evidenced by the constant increase in the number of followers through the Corporate Group’s social media channels such as Facebook and Instagram. As of 31<sup>st</sup> December 2021, there were more than 600,000 followers in Facebook and 38,000 followers in Instagram.

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

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

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

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

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

in residential condominium projects in the area adjacent to the Company’s hotel. The projects bring out the ambience and the hotel’s stunning “Blended Design” with complete facilities as if the residents use a hotel service every day as the selling points for the Corporate Group’s real estate projects. The Corporate Group also works with Accor, a world-class hotel manager with experience in operating more than 110 hotels in more than 40 countries around the world, to manage SO Sofitel Bangkok and conduct marketing operations for the Corporate Group. Accor will (1) operate the room management system by applying the Reservation System to the hotel booking process of the Corporate Group; (2) conduct sales and marketing operations, where Accor will present and share information and marketing expertise from both domestic and international markets to the Corporate Group’s Marketing Department; and (3) manage the hotel, where Accor will be the Hotel Manager, as well as recruits employees with knowledge, capability and expertise for the Corporate Group. This alliance is one example that will help the Corporate Group has more potential in hotel management operations. It helps to expand the customer base of the Corporate Group through the Accor’s website, make the hotels become more famous, and confirm the service standards. In addition, the Corporate Group’s partnership with M gallery by Accor, a unique collection of Design Hotels around the world which provide uniqueness hotel and booking system through the Accor and M gallery by Sofitel’s websites, helps the Corporate Group’s hotels become well-known and be able to attract both current clients and new clients to constantly choose our hotel service. The Corporate Group is ready to expand its business and customer base in the future, such as expanding business into tourist destinations or various economic zones in Thailand, including extending and developing the ability to provide services in other related businesses such as food and beverage. In addition, the company has also adjusted the investment to suit the size and area of the hotel, then has evolved to become a brand “Veranda Collection”

**Management by experienced and skilled executives**

The Corporate Group’s management team has an average of more than 20 years of experience in the hotel management and real estate. Most of the management team have started working for the Corporate Group since its establishment in 2002 which is a key factor that provide the management team of the Corporate Group a strong understanding of the hotel and real estate industries in terms of land acquisition, study of project feasibility, financing, selection of contractors, construction projects, marketing operations, including laws and regulations related to business operations, supervision and management of the Company’s business in order to generate appropriate returns in the future.



## Company's competitive strategies

**The Company's Strategy of Hotels Business are as follows;**

### Location of the Project

The Corporate Group emphasizes on the project's location as the first priority in the project development because it is the most important factor for the hotel business and property development. The Corporate Group is one of the pioneers and one of the leaders in the project development of land with potential in the future at an appropriate price level. Such locations must have beautiful natural scenery, interesting attractions in the area, near tourist destinations or a city of tourism that can easily travel, close to major transportation systems, and surround by a variety of utilities such as hospitals and department stores to fully meet the needs of customers. All of these can be seen from the project development of Veranda Resort Group such as Cha Am – HuaHin, Chiangmai, Pattaya, Samui, Khao Takieb, Bangkok and Phuket where is the latest project in the processing.

### Products and Services

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

### Pricing

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

### Marketing and Promotions

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

In the situation of the epidemic of Covid-19 in the past two years makes the Company to adapt the strategy and channels of sales and services Online Marketing and Event Marketing for current situation. There are 2 main channels as follows;

- Online Marketing

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

- Event Marketing

The company uses the exhibition booths with various trade shows such as Thai Teaw Thai, food festivals. To publicize the company and is one of the channels that can reach the target customers well and help expand the customer base of the company’s group.

**Marketing strategy and competition for hotel business are as follows:**

**Veranda Resort & Villas Hua Hin – Cha-am**

Number of rooms	137 rooms
Target customer groups and competitive strategies	The main target customer base was Thai people who were both FIT (Free Independent Travelers) and seminar groups. European customers began to stay in the 2 <sup>nd</sup> quarter, and there was a French incentive group in the 2 <sup>nd</sup> half of the year. For the 4 <sup>th</sup> quarter, the target group of Thai customers began to travel abroad, causing the number of tourists to be quite slow. Five-star hotels near Hua Hin, such as Marriott and Anantara, had drastically lowered their room prices to capture European customers from rival hotels.
Condition of competition	Very high
Examples of competitor	Vala, Marriott Hua Hin, AVANI+, InterContinental Hua Hin

**Veranda High Resort Chiang Mai Hotel**

Number of rooms	71 rooms
Target customer groups and competitive strategies	In the 1st half of the year, most customers were seminar groups from Chiang Mai and nearby areas. Foreign customers from South Korea and Singapore began to gradually stay in the 2nd quarter as airlines had direct flights to Chiang Mai. Moreover, customers were more interested in staying outside the city than in the city due to the COVID situation.  There was an increase in occupancy from international customers in the 3rd quarter, both from Europe and slightly from the Middle East. As for the 4th quarter, the target customers were quite diverse from domestic and foreign customers who were FIT (Free Independent Traveler) and seminar customers, including wedding and event customers, allowing the Company to do better prices than competitors because the demand for hotels in the city was less than resorts and hotels outside the city.
Condition of competition	Moderate due to low demand
Examples of competitor	The competitors had changed due to the demand for hotels in the city that used to be bustling, but quiet now. There were more demands for resorts outside the city, such as Panviman and Flora Creek.

**So Bangkok Hotel**

Number of rooms	237 rooms
Target customer groups and competitive strategies	So Bangkok Hotel is a leading hotel in the Luxury Life Style category. Previously to the Covid-19 crisis, the hotel had a mixed proportion of tourists, business groups, and the Meeting Incentive Conference Exhibition (MICE) group. Most of the tourist groups were from Korea, the United States of America, France, Germany, and Australia, the business groups were from Singapore and Hong Kong, and MICE was from various countries. The hotel was officially opened in October 2021 and started marketing domestically and abroad by focusing on long-haul customers from Europe, America, and Australia; and long-stay by focusing more on social media promotions and influencers.
Condition of competition	High
Examples of competitor	Kimpton Malai, Banyan Tree, W Hotel

**Veranda Resort Pattaya Na Jomtien Hotel**

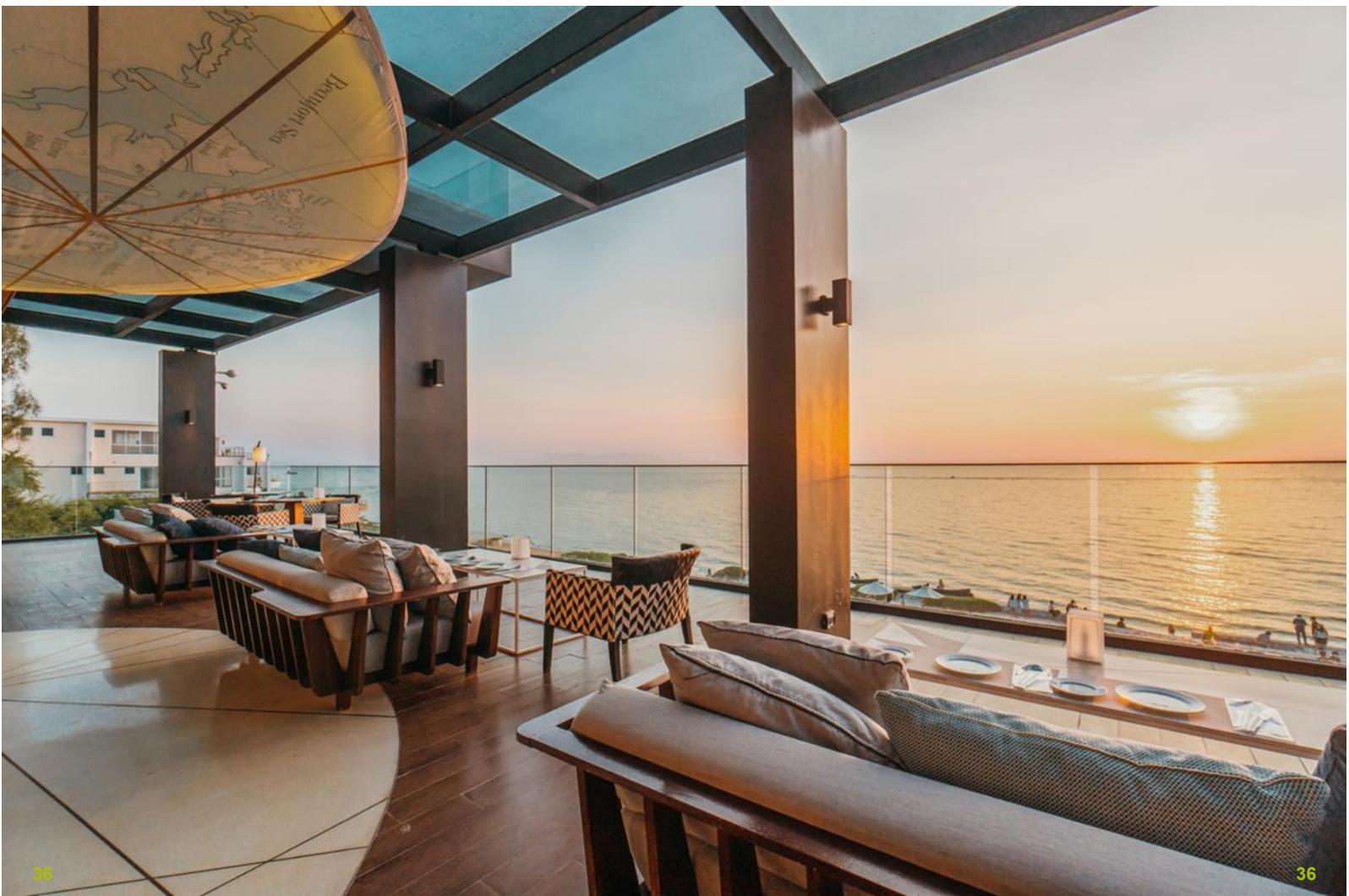
Number of rooms	145 rooms
Target customer groups and competitive strategies	The main target customer base was Thai customers throughout the year, especially seminar groups that increase more than every year. Foreign customers began to travel in the 2 <sup>nd</sup> quarter, starting from South Korea. We saw an increasing occupancy trend from European countries in the last quarter (last two weeks of December). The Russian market began to travel by chartered plane.
Condition of competition	High, competitive on price
Examples of competitor	Renaissance, Movenpick, Ana Anan, Intercontinental Pattaya, Cape Dara

**Veranda Collection Samui Hotel – Rocky’s Resort**

Number of rooms	50 rooms
Target customer groups and competitive strategies	The Thai customer base was getting stronger from the Veranda brand, especially staying in a large room by the sea. Foreign customers returned in the 2 <sup>nd</sup> quarter, but not much because Phuket was fully open for tourism with sufficient airlines and better hotel prices.
Condition of competition	Moderate
Examples of competitor	Existing competitors with foreign target groups such as Samui Pavilion, Zazen, Boput Competitors in the domestic market such as AVANI+, Silavadee

**VERSO Hua Hin Hotel**

Number of rooms	38 rooms
Target customer groups and competitive strategies	The group of new generation who liked new resorts that are cozy, different, and perfect in style with a well-equipped space, was a group of customers with purchasing power to try new luxurious things in a minimal style next to the sea. With a limited number of rooms, the target group is private and family customers, with no seminar groups.
Condition of competition	High
Examples of competitor	Yana, Cape Nidhra, Kundara



**Marketing strategies for real estate business were as follows:**

### Locations of the project

The Company has developed hotel projects in parallel with real estate projects (Mixed Use), since the location of projects is an important factor for both hotel business and real estate. The locations must have beautiful natural scenery and interesting attractions in the area, convenient transportation destinations and surrounded by a variety of utilities such as hospitals and department stores in order to fully serve the needs our clients.

### Product/Service

For the residential condominium projects, the Corporate Group has an idea to develop both low-rise and high-rise residential condominium projects under the concept of Modern Contemporary to create the difference and for a competitive advantage. The Corporate Group had considered the design to utilize the space for the residents to get the most out of it and match with their lifestyles. The layout of the rooms and the common facilities of the project such as the swimming pool, fitness room, and central living room, were in stunning modern design and consistent with the decoration styles of the Corporate Group. Moreover, the project was also designed to be close to nature, allowing the residents a panoramic view of the sea or surrounding mountains. The residents could also utilize other services of the hotel.

### Pricing

For the residential condominium projects, the Corporate Group had guidelines for determining the selling price of each project to be suitable for the target group because housing is a high-price asset in which the customers had to consider and took time to make decisions. The selling price was determined based on the cost of land, construction costs, locations of the project, facilities, identity, and image of the Corporate Group; and had to be the price that the Corporate Group could obtain a reasonable return rate and compete with other operators nearby. The Corporate Group would determine the preliminary selling price of the condominium units since the feasibility study of the project and set the actual selling price again after it started selling. The price for each residential unit varied depending on the scenery, location and size of the room, and sales period. Therefore, the selling price would increase steadily since the project started selling, during construction, until the project was complete; and based on customer demands, the economic and competitive environment of the Corporate Group.

### Marketing and Promotion

The Company emphasized the following channels for informing news and promotions:

1. Offline Channel

a. Newspaper and Magazine

The Company used print media for advertising the hotel and residential condominium projects of the Corporate Group to promote residential condominium projects, room layout, facilities, restaurants, activities in different columns of the publications.

b. Outdoor Media

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

c. Exhibited booths in conjunction with various exhibitions

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

2. Online Channel

The Company used online media to communicate between consumers and the Company, including public relations for hotels and condominium projects, and create marketing opportunities to reach more target customers because online communication channels were convenient and fast for the Company to know the needs of the target customers. The Company had various forms of online media such as the Corporate Group's website, Line, Instagram, Facebook, video clips, activities, and campaigns. In addition, the Company had given opportunities for famous and influential people of Thailand to use the hotel services and visit the condominium projects of the Corporate Group to advertise and promote the image of the hotel and residential condominium projects of the Corporate Group.



Marketing strategies for food and beverage business were as follows:

### Growth Strategy

- **New Café Model**

There were more adaptations to various environments and locations. Sometimes the locations may have limited space sizes according to the department store/shopping center. It also included managing expenses to be more productive, whether it was a rental fee or expense management within the store. These were the reasons for launching a small café with a small number of seats or for takeaway only and setting up a booth/kiosk in front of the supermarket.
- **Product Development**

Released new products regularly with more variety of products that could be bought back home or order from various delivery platforms to increase sales per bill and attract new customers.
- **Seasonal Product**

Launched new products and organized promotional programs for each season that rotated every two months throughout the year.
- **Brand Collaboration Product**

Developed products with potential brands and launched products for a limited time.
- **Product Diversification**

Distributed products in many forms such as takeaway menus, delivery menus, and catering menus.

### Expansion Strategy

- **Locations**

Choosing a location for the expansion was an important part to make the brand known and easy to access.
- **Customers Type**

Specified target customers to match the concept of the product, such as groups of teenage customers, groups of customers who liked to try new desserts, groups of customers with high purchasing power, customer groups who favored Japanese brands, etc.

### Distribution Channel Expansion Strategy

- **Delivery Platform**

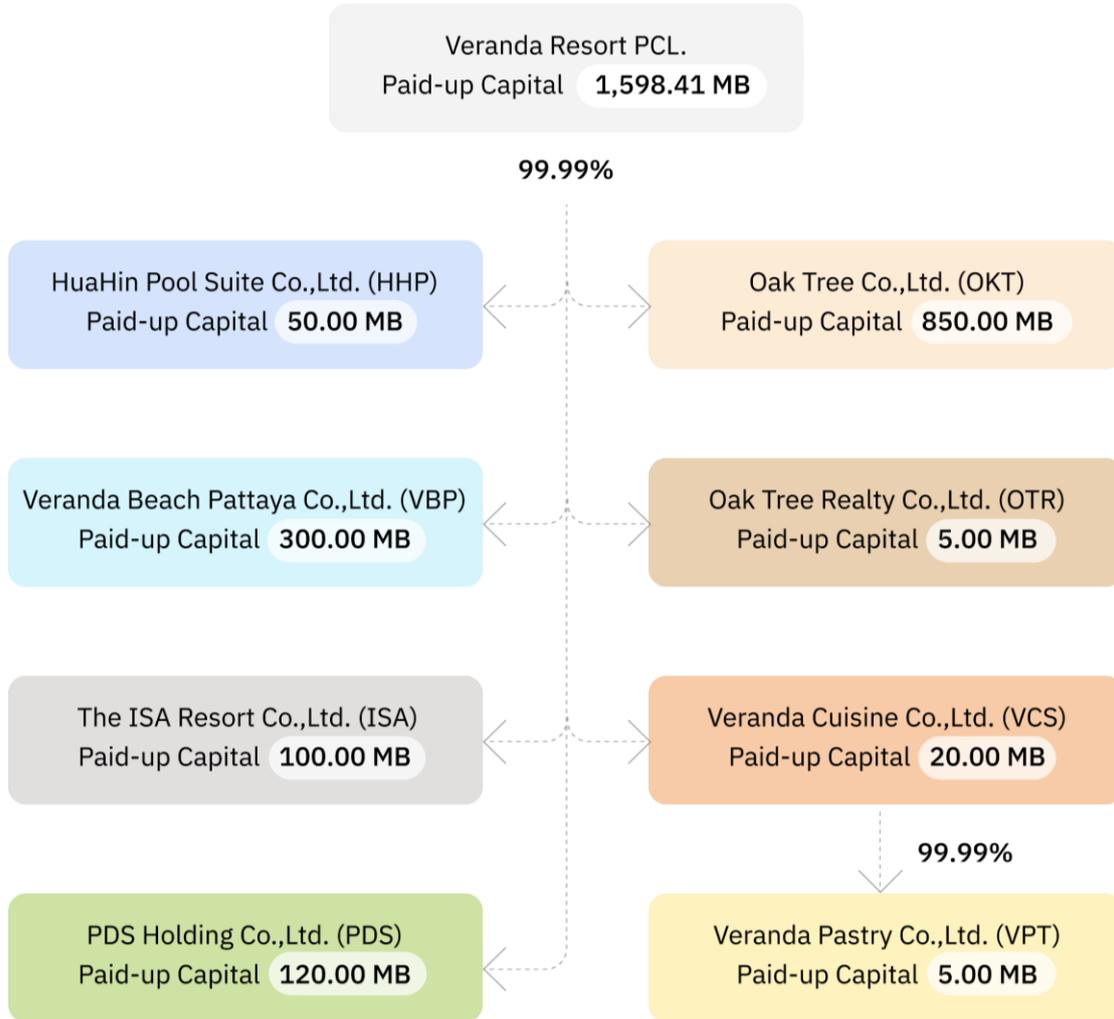
Focused on selling through various delivery platforms such as Grab, Food panda, Lineman, GOJEK, etc.
- **Online Platform**

Sold products through online platforms such as Villa Market online, CU Next (Chula mobile application), and deals selling in Shopee/Lazada.
- **Catering Platform**

Increased more revenue from the catering platform.
- **Event and Pop-Up Store**

Exhibited booths in various events and set up pop-up stores in community areas.

**Company's Structure**



Relationship with Business of major shareholders **None**

**Securities information and Shareholders information**
**Amount of registered and paid-up capital**
**Ordinary Share**

As of 31 December 2022. The Company has the Registered Capital 1,750.00 million Baht and the Paid-Up Capital 1,598,408,360.00 Baht. Divided into 319,681,672 ordinary shares with a par value of 5 Baht per share.

**Debenture**

Symbol	Issue Size	Issue Date	Maturity Date	Issue Term	rate
VRANDA252A	300,000,000 MB	17-11-2022	17-2-2025	2.25 Yrs.	6.50%

**Major Shareholders**

The list of major shareholders as of 31 December 2022 are as follows:

Major Shareholders	2022 (Shares)	% Share
1. Mr.Verawat Ongvasith	84,168,842	26.33
2. HANGJEW HOLDING PTE. LTD.	74,890,014	23.43
3. Mrs.Pentipa Ongvasith	10,930,460	3.42
4. Mrs.Tosaporn Angsuwarangsi	10,365,716	3.24
5. Mrs.Paradee Poolworralak	9,277,860	2.90
6. Mrs.Napassorn Soonthornmanokul	8,094,036	2.52
7. Mr.Kittisak Sopchokchai	7,869,626	2.46
8. Sureetriboon Holding Co.,Ltd.	6,785,504	2.12
9. Mr.Sakorn Suksriwong	5,726,928	1.79
10. Ms.Pimpida Ongvasith	5,668,600	1.77
Total of 10 shareholders	<b>223,777,586</b>	<b>70.00</b>
Other Shareholders	<b>95,904,806</b>	<b>30.00</b>
<b>Totally</b>	<b>319,681,672</b>	<b>100.00</b>

**Restrictions of foreign Shareholders.**

The foreigners can share ownership of The Company not more than 49 % of the total issued and paid-up shares, as of 31 December 2022, has foreign holding of 24.64 % of the total shares.

**Issuance of others assets**

- None -

### Dividend Payment Policy of the Company

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

However, during year 2020-2022, the dividend payment of the Company is performed as following:

Dividend Payment	Consolidate Statements		
	2020	2021	2022
Net Profit (Baht per Share)	0.53	(0.34)	0.003
Dividend (Baht per Share)	0.10	-	-
Dividend payment rate per net profit (%)	18.86	N/A	N/A

Remark; 1. The BOD Meeting No.1/2022 resolved to propose the Shareholders' Annual General Meeting for the year of 2022 to Dividend Omission

### Dividend Payment Policy of the Subsidiaries

The Board of Directors of the Subsidiary may consider paying annual dividends of the Subsidiary. It must be approved by the shareholders' meeting of the Subsidiary except for interim dividend payment, which the Board of Directors of Subsidiary has the authority to approve the dividend payment occasionally when it deems that the Subsidiary has sufficient profits to do so. The Board of Directors of the Subsidiary shall then report to the shareholders' meeting of the Subsidiary in the next meeting.

The Subsidiary has the policy to pay dividends to shareholders at not less than 40 percent of the net profit according to the separate financial statements after deduction of corporate income tax and all other types of the reserve as required by law and subsidiaries each year. The Board of Directors of the Subsidiary will consider the dividend payment by taking into account various factors, mainly for the benefit of shareholders such as economic conditions, operating results and financial status of subsidiaries, cash flows, reserves for future investments, reserve money to pay off loans or as working capital within the subsidiary, conditions and restrictions as stipulated in the loan agreement, and the dividend payment does not significantly affect the normal operations of the subsidiary as the Board of Directors deems appropriate or proper.

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

The Board of Directors has determined that directors and executives have a duty to report holdings of its own securities and related since the election as the directors and executives of the company. Each time there is a change in the holding of such securities. Must Reports to the company and the Securities and Exchange Commission of Thailand (SEC) Within 3 business days for report. In the Board of Directors Meeting No.1 / 2018 has approved the Company's Secretary to make report on Securities Holding of Directors, Executives, Director's spouse or minor child of directors and Executives to acknowledge before the Board of Directors Meeting on a quarterly basis as at 31 December 2022 are as follows;

No.	Names	Position	Number of Shares			(+/-)	% of the shares
			31-Dec-20	31-Dec-21	31-Dec-22	Increase/ Decrease	
1	Mr.Chai Iroonthanapibarn	Chairman of Boards / Independent Director	150,000	150,000	150,000	-	0.05%
	spouse or minor child		-	-	-	-	-
2	Mr.Paiboon Kujareevanich	Chairman of Audit / Independent Director	-	-	-	-	-
	spouse or minor child		-	-	-	-	-
3	Mr.Trairak Tengtrairat	Member of Audit / Independent Director	-	-	-	-	-
	spouse or minor child		-	-	-	-	-
4	Assoc.Prof.Siriporn Maneepan	Member of Audit / Independent Director	-	-	-	-	-
	spouse or minor child		100,000	100,000	100,000	-	0.03%
5	Mr.Verawat Ongvasith	Director / Chief Executive Officer	83,762,542	84,168,842	84,168,842	-	26.33%
	spouse or minor child		1,046,288	1,130,288	1,130,288	-	0.35%
6	Mrs.Tosaporn Angsuwarangsi	Director	10,365,716	10,365,716	10,365,716	-	3.24%
	spouse or minor child		-	-	-	-	-
7	Mrs.Napasorn Soonthornmanokul	Director	8,094,036	8,094,036	8,094,036	-	2.53%
	spouse or minor child		-	-	-	-	-
8	Mr.Surasak Wongkiatthavorn	Director	319,964	152,464	82,464	-0.02%	0.03%
	spouse or minor child		319,964	319,964	319,964	-	0.10%
9	Mr.Siriwat Vongjarukorn	Director	3,273,524	3,410,824	3,410,824	-	1.07%
	spouse or minor child		-	-	-	-	-
10	Mr.Kittisak Sopchokechai	Director	7,869,626	7,869,626	7,869,626	-	2.46%
	spouse or minor child		-	-	-	-	-
11	Ms.Ladda Somsiripornchai	Senior Vice President Accounting	50,000	50,000	50,000	-	0.015%
	spouse or minor child		-	-	-	-	-
12	Mr.Varut Tantipipop	Vice President Corporate Finance	4,257,020	4,334,620	4,101,020	-0.07%	1.33%
	spouse or minor child	IR / Company Secretary	-	-	-	-	-

## 2. Risk Managements

The company takes into consideration the essence of risk management which arises from both inside and outside the organization. The company's management shall implement risk management policies to minimize negative impact to the company. The company possesses a risk control system with reference to COSO (The Committee of Sponsoring of the Treadway Commission) to direct policies, processes, and procedures of risk management no matter where such risks originated from business operation, finance, or management factors. The Company has disclosed the Risk Management Policy on the website ([https://www.verandaresort.com/ir\\_index.php?risk\\_management](https://www.verandaresort.com/ir_index.php?risk_management)), which has risks for each of the following factors:

### **RISKS ASSOCIATED WITH BUSINESS OPERATIONS**

#### **Risks associated with investment in hotel and residential projects**

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

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

#### **Risks associated with land acquisition for prospective hotel and residential projects**

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

The company group thinks out future plans to acquire and purchase-in-advance parcels of land corresponding to developing time frame of hotel and residential projects that is in compliance with the company group's development policies in hotel and residential projects. The company group shall monitor and research for land information continually, considering trends and potentiality of land development. The company sets policies towards land acquisition to be

suitable, prospective potential, convenient in transport, satisfactory utility system, and straight to the right target groups. Furthermore, the company group shall give thought to nearby parcels of land in comparison between land use and acceptable land price.

**Risks associated with delay of project development and Constructor's expertise**

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

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

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

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

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

**Risks associated with residential projects during the sale**

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

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

website, social media as well as sales promotion to boost up sales volume of residential projects such as joint promotion among banks providing credit services, etc.

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

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

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

**Risks associated with economic fluctuation, political uncertainty and natural disaster**

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

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

## FINANCIAL RISKS

**Risk of ability to pay debts**

**Interest Coverage Ratio (ICR)**

In 2022, the Company's interest coverage ratio increased from 2.22 times in 2021 to 4.01 times due to earnings before interest, income tax, depreciation, and amortization (EBITDA) increased in proportion to the interest expenses. EBITDA increased by 126.59 million baht or 73.64 percent, while interest expenses increased by 2.90 million baht or 3.75 percent. The ratio of more than one time indicated that the Company had sufficient EBITDA to pay interest.

**Debt Service Coverage Ratio (DSCR)**

In 2022, the Company's debt service coverage ratio increased from 0.15 times in 2021 to 0.37 times due to earnings before interest, income tax, depreciation, and amortization (EBITDA) increased by 126.59 million baht or 73.64 percent. Short-term and long-term interest-bearing debts, maturing within one year, decreased by 824.24 million baht, or an increase of 67.84 percent.

**The risk of maintaining financial ratios**

The Company must comply with rights and obligations to maintain the interest-bearing-debt to-equity ratio of not more than two times at the end of the accounting period. Such interest-bearing debt-to-equity ratio shall be calculated from the issuer's annual financial statements. As of December 31st, 2022, the Company's ratio is 1.24 times. However, if the Company is unable to maintain such a ratio following the specified terms and conditions governing the rights and obligations of the debenture issuer and debenture holders, it may cause the Company to default on all debenture payments, and the payment will become due immediately.

The Company also has a duty under the terms of the loan agreement to maintain the interest-bearing debt-to-equity ratio of not more than two times, and such ratio shall be calculated like the ratio of the terms and conditions of the debentures.

If the Company is unable to maintain the ratio of interest-bearing-debt to equity according to the conditions specified in the loan agreement with the financial institution, such financial institution may call for premature repayment, resulting in the Company losing liquidity and being unable to pay the debt, which may be categorized as debenture default (Cross Default) (according to the terms and conditions of debentures, there will be a default when the Company defaults on debt payment that exceeds 300 million baht).

The Company is well aware of maintaining the ratio of interest-bearing debt to debenture holders' equity according to the terms of the loan agreement with the financial institution and the rights of the debentures. The Company has measures to monitor such ratios to not exceed the specified conditions. At present, the Company is still able to maintain the financial ratios mentioned above.

**Risk Associate with Management**

Risks associated with major groups of shareholders holding over 50 percent of shares on the day of closing the register of shareholders as of 31 December 2021, Mr. Verawat Ongvasith's group holds the company's shares at 64.26 percent of paid-up capital which means that Mr. Verawat Ongvasith's group can control resolutions of the meeting such as the appointment of the board of directors or any resolutions requiring majority votes of shareholder's meetings. In addition, participants in Mr. Verawat Ongvasith's group are titled as directors and company executives, therefore, Mr. Verawat Ongvasith's group are the major shareholders controlling business operations as well.

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

**Risks associated with loss of personnel in the Executives directors**

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

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

**The Risk in Information Management and Cyber Threats**

The Group Company provides measures to prevent and manage risks from cybercrime that may be the act of a criminal group which tends to increase at present, or it may be the actions of the employees of the company itself. The Company has established data protection and a structure for managing important data and documents and assigning rights only to authorized persons or persons involved in accessing such information or documents.

**The Risk of the Covid-19 Outbreak**

The Covid-19 epidemic situation that has spread all over the world since the beginning of 2020 impacts directly to the Company, which is a business related to hotels and tourism. The government has announced measures to shut down the country, and the commercial aviation business temporarily halted the service, causing the Company to announce the closure of the hotel service. When the government announced the release of lockdown, the Company was aware of the change in service behavior; and the New Normal service has adopted whether it is about the cleanliness of public areas, rooms, and all areas in the restaurant, social distancing, temperature measurement, etc. Marketing has also changed from focusing on foreign customers that are the majority of hotel customers to Thai customers. The Company has responded to the policy from the government, "We Travel Together" to stimulate more tourism economy and consumption.

**The Risk of Compliance with Personal Data Protection Act (PDPA)**

Thailand has announced the Personal Data Protection Act B.E. 2019, which was published in the Government Gazette on 27 May 2019, and has now been postponed to take effect on 1 June 2022.

The Company has adhered to the Thailand Data Protection Guidelines as guidelines for the management of the personal information of customers, business partners, and employees. The Company has conducted training for all employees to understand the details and correct practices to comply with the said Personal Data Protection Act.

In addition, the Company has prepared a Personal Data Protection Policy as a guideline, informed customers, business partners, employees, and all stakeholders, and announced the use of personal data protection policy which has already been published on the Company's website.

**Other Risk**

- NONE -

## Driving The Business for Sustainability

To ensure that the sustainability management meets international standards, Veranda Resort Public Company Limited officially announced the sustainable business operation policy (Sustainability Policy) on November 11, 2022, with the Board of Directors and executives jointly formulating strategies, policies, goals, and sustainability management frameworks as well as follow up on performance to achieve continuous organizational development.

### Sustainable Development Framework and Policy

# SUSTAINABLE DEVELOPMENT GOALS



### Sustainable Development Policy

The Company believes that when the business focuses on economic growth, has good corporate governance system and effective risk management along with operating with social and environmental responsibility consider as part of normal business processes.

The Company operates its business under the framework of good governance, transparency, and accountability with a commitment to business development while balancing the economy, society, and environment. The Company is determined to maintain itself as a role model for the society (Good Corporate Citizen) for sustainable business operations and be able to manage the business to grow steadily and be accepted in society based on ethics and good corporate governance principles as well as generating effective returns for shareholders by taking into account the impact of business operations on those involved in all aspects of the company.

\*Read the sustainable business operation policy at [https://www.verandaresort.com/ir\\_index.php](https://www.verandaresort.com/ir_index.php) > Corporate Governance

## Sustainable Business Goals

Sustainable development of Veranda Resort Public Company Limited Group has adopted the sustainable development goals of the United Nations (Sustainable Development Goals: SDGs), which has a total of 17 goals as a model for all parties to follow for a sustainable business and future. The Company has supported the sustainable development goals that are inconsistent with the capabilities and potential of the Company's operations with the total number of 10 goals as follows:



**Eliminate hunger** – The Company purchases agricultural products from small farmers in the hotel area as raw materials to support farmers to have income for their livelihood.



**Health and well-being** – Employees' health and well-being are essential parts of creating efficiency in work and increasing the efficiency of the organization.



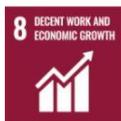
**Quality education** – Support the development of necessary work skills and improve the quality of life by encouraging employees to attend training/seminars from various departments and support lifelong learning opportunities.



**Gender equality** – Promote employees of the Company to have equal career opportunities without gender discrimination.



**Clean water and sanitation** – Provide adequate water and sanitation for all employees with sustainable management, including setting targets to reduce water resource consumption and use water efficiently.



**Economic growth** – Productive and quality employment with suitable placement to foster continuous, inclusive, and sustainable economic growth.



**Responsible consumption** – The Company minimizes waste generation by reducing resource consumption, recycling, reusing, and using environmentally friendly products to reduce waste generation.



**Sea and ocean** – The Company has a campaign to conserve and utilize the ocean and marine resources for sustainable development, including reducing marine pollution, especially caused by hotel activities.



**Terrestrial ecosystems** – The Company supports the preservation of the fertility of the forest and the use of properly managed forest products, including combating forest encroachment and illegal hunting.



**Cooperation in sustainable development** – The Company places importance on sustainability by cooperating with various agencies, including applying knowledge and expertise to create a society to achieve the goal of sustainable business operations.

**Guidelines for Sustainable Development Operations**

The Company has established the Sustainable Development Practice Guidelines to operate the business for sustainable growth which cover all dimensions of economy, society, and environment. The concept of sustainable development is brought into the core of every operational process and transferred to various operational lines of the organization by integrating the coherence of operational plans to create a balance in the dimensions of economy, society, and environment throughout the supply chain and create achievements of sustainable development to bring the greatest benefit to all groups of stakeholders. It also creates sustainability guidelines in the processes of various parties and results in driving sustainability at the employee level throughout the organization. The framework and goals for driving sustainability are laid out in three areas



<b>Economic Development</b>	<b>Social Development</b>	<b>Environmental Development</b>
<ul style="list-style-type: none"> <li>■ Operate the business under the principles of good governance.</li> <li>■ Effective risk management.</li> <li>■ Improve the quality of services and products to cover the needs of all customer groups.</li> </ul>	<ul style="list-style-type: none"> <li>■ Take care and treat employees fairly and equally.</li> <li>■ Develop the ability of personnel for the organization and society.</li> <li>■ Encourage employees and business partners to have a sense of responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>■ Conduct business in an environmentally friendly manner and reduce the impact on the environment.</li> <li>■ Manage and create a positive environmental impact in all areas where it operates.</li> <li>■ Use various resources for maximum efficiency.</li> </ul>

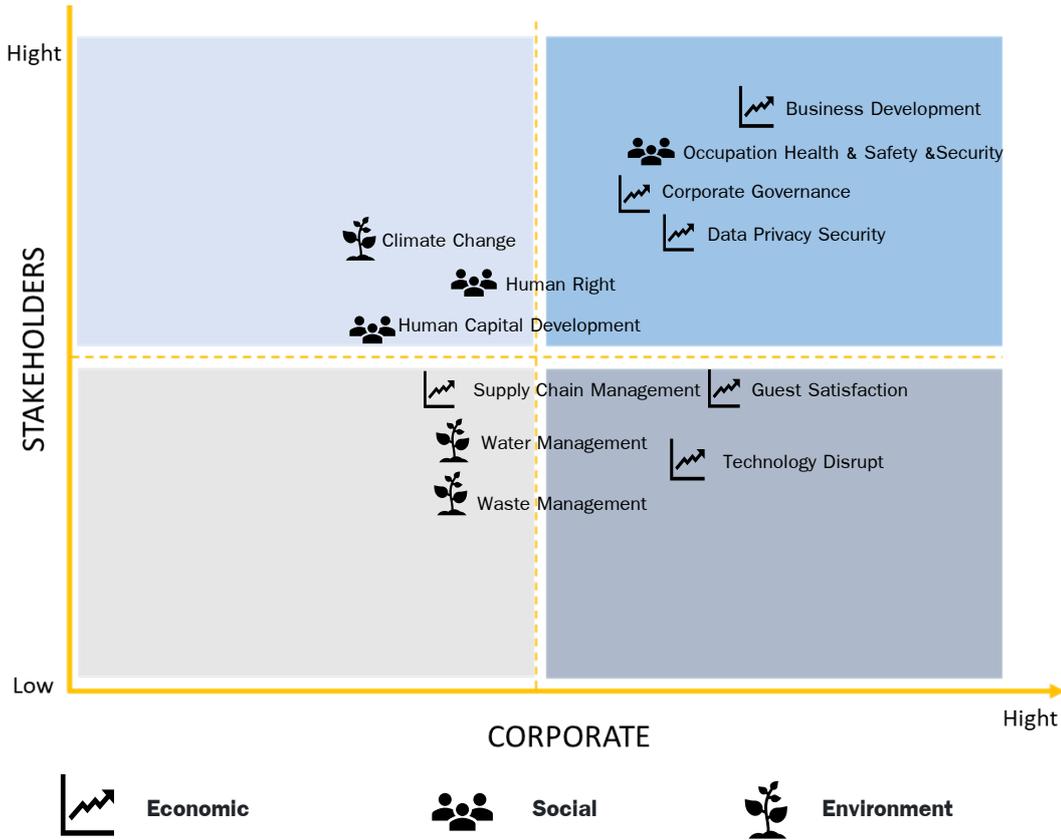
**Supporting and Promoting Sustainability Knowledge**

The Company has supported and promoted sustainable development knowledge to employees in related fields within the organization by organizing training within the hotel business and food and beverage business, including attending training and seminars with experts from external organizations related to sustainable development in the dimensions of the environment, society, and corporate governance such as the Securities and Exchange Commission, Stock Exchange of Thailand, Thai Listed Companies Association, Thaipat Institute, etc., to exchange knowledge and experiences and apply the knowledge gained for the benefit of the organization.

**Sustainability Management Approach**

Veranda Resort Public Company Limited (“the Company”) operates its business in the country, consisting of three main businesses; hotel, real estate, and food and beverage. In addition, as a guideline for sustainable business growth, the Company has formulated the concept of sustainable development to cover all dimensions of economy, society, and environment to bring the most benefit to all groups of stakeholders as follows:

**Sustainability Prioritization**



**Economic Development**

The Company is committed to improving the quality of products and services to cover the needs of all customer groups and give importance to the knowledge of the employees, especially in the field of service to create quality personnel for the country’s tourism industry with the following operating guidelines:

1. Comply with relevant laws; conduct business under the principles of good governance; have good corporate governance, and create social responsibility both as a producer and a consumer.
2. Manage business risks concisely, prudently, and efficiently following international guidelines and practices.
3. Adhere to the customers’ needs as the center to provide customers with the best products and services following international standards.
4. Continuously invent, create and develop service innovations to meet the diverse customers’ needs and to provide customers the most satisfaction.
5. Maintain the best security, privacy, and personal information of the customers with an efficient information technology system.



## Social Development

The Company is committed to creating stability for society and the community by developing skills, knowledge, and abilities of employees to provide quality service to society. These also include creating jobs and distributing income to the local community with the following operating guidelines:

1. Take care and treat employees equally and fairly without discrimination of gender, race, color, age, nationality, citizenship rights, sexual orientation, or disability so that all employees have a good quality of life in society.
2. Develop personnel in the organization through continuous training to increase the potential of all employees to have knowledge, skills, and behaviors necessary for work both short term and long term.
3. Support a good working environment in accordance with relevant laws, including a focus on hygiene, occupational health, and safety of employees in the workplace to achieve the best performance at work.
4. Employ disabled people to provide opportunities for persons with disabilities to have equal rights as the general people and to generate income for families and communities.
5. Promote, support, and participate in social activities in the local community.

## Environmental Development

The Company is committed to operating its business under the principles of good governance and social responsibility and taking into account the impact on the environment by giving importance to all activities in operation including supporting global warming mitigation and climate change.

1. Manage the optimal and efficient use of natural resources such as raw materials, water, and energy as well as process improvements to optimize the use of those resources.
2. Manage waste from service processes responsibly and systematically by adhering to the principle of 3R (Reduce, Reuse, and Recycle) to reduce environmental impacts both in short term and long term.
3. Conserve and protect terrestrial and marine biodiversity in the areas where the Company operates, as well as encourage the customers, business partners, and communities to participate in continual conservation of nature.
4. Operate a business in accordance with environmental laws and other related regulations strictly.

The Company has shown its commitment to sustainable business operations through various important policies and practices which express the Company's intention to achieve sustainability goals that cover all dimensions of economy, society, and environment.

## Stakeholders Impact Management in the Business Value Chain

**Value chain** refers to activities that are interrelated and connected to create value for production and service, starting from the process of bringing raw materials into the production process or service, distribution process, product delivery process to consumers, and after-sales service process. Creating value for that product or service may be done by one company or several companies by dividing the scope of activities and passing on the values in each successive phase.

**Value chain analysis** is an analysis to consider the ability of the business to compete by studying both core and supporting activities whether it can provide a cost advantage or differentiation ability when compared to competitors. These will serve as guidelines to determine the strengths and weaknesses of the activities as well.

The Company has divided stakeholder groups into 6 groups as follows:

Stakeholder Group	Communication Channels	Interests and Expectations	Response to expectations
1. Customers	<ul style="list-style-type: none"> <li>● Company's website.</li> <li>● Interaction with customers while providing services.</li> <li>● Post-service satisfaction questionnaire.</li> <li>● Channels for receiving complaints.</li> <li>● Social Media.</li> </ul>	<ul style="list-style-type: none"> <li>■ Service quality under Covid-19 situation.</li> <li>■ Diversity and speed of response to customers' needs.</li> <li>■ Customer data protection and privacy.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Train employees to maintain service standards.</li> <li>✓ Deliver a variety of products and services.</li> <li>✓ Survey the opinions and satisfaction of customers through various communication channels of the company.</li> <li>✓ Develop and improve customer information systems by bringing modern and efficient technology.</li> <li>✓ Regularly present and review promotional programs and sales prices.</li> </ul>
2. Partners	<ul style="list-style-type: none"> <li>● Company's website.</li> <li>● Phone/Email</li> <li>● Channels for receiving complaints</li> <li>● Visit/Meet with partners</li> </ul>	<ul style="list-style-type: none"> <li>■ Proper treatment of partners under the Covid-19 situation.</li> <li>■ Transparent procurement.</li> <li>■ Treat business partners fairly and equitably.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Facilitate partners under the framework of the Covid-19 situation</li> <li>✓ Selection principles and procurement processes are transparent and verifiable.</li> <li>✓ Clearly comply with agreed commercial terms.</li> </ul>
3. Employees	<ul style="list-style-type: none"> <li>● New employee orientation</li> <li>● Annual performance evaluation.</li> <li>● Channels for hearing opinions and suggestions.</li> </ul>	<ul style="list-style-type: none"> <li>■ Career Growth and Advancement.</li> <li>■ Employee skill and knowledge development.</li> <li>■ Reasonable compensation and benefits.</li> <li>■ Measures to take care of employees under the Covid-19 situation.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Promote training to enhance the skills, knowledge, and abilities of employees</li> <li>✓ Satisfaction Survey and Annual Performance Assessment</li> <li>✓ Review the compensation and benefits of employees.</li> <li>✓ Modify the work accordingly to prevent the epidemic under the Covid-19 situation.</li> <li>✓ Determine operational procedures from the Human Resources Department and strictly comply with labor laws.</li> </ul>
4. Shareholders	<ul style="list-style-type: none"> <li>● Company's website</li> <li>● Shareholders Meeting</li> <li>● Meetings with analysts/investors.</li> <li>● Disclosure of information to the Stock Exchange of Thailand.</li> <li>● Online media and print media.</li> </ul>	<ul style="list-style-type: none"> <li>■ Sustainable business performance and growth.</li> <li>■ Handle critical situations that affect businesses.</li> <li>■ Manage and deal with risks quickly, concisely, and prudently.</li> <li>■ Business rehabilitation plan after being affected by the Covid-19 situation.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Listen to the opinions and suggestions of all shareholders equally.</li> <li>✓ Present the Company's operating results with directions and business plans.</li> <li>✓ Manage the organization and operate the business under the principles of good corporate governance.</li> <li>✓ Assess and manage risks prudently and carefully.</li> </ul>

Stakeholder Group	Communication Channels	Interests and Expectations	Response to expectations
5. Community and Society	<ul style="list-style-type: none"> <li>● Various contact channels and channels for receiving complaints.</li> <li>● Social and Community Activities.</li> </ul>	<ul style="list-style-type: none"> <li>■ Create jobs and careers for people in the community.</li> <li>■ Support local social and community activities.</li> <li>■ Community development for sustainable growth.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Promote procurement and employment from local communities.</li> <li>✓ Generate income to the community both directly and indirectly.</li> <li>✓ Promote and build good relationships with society and local communities.</li> </ul>
6. Environment	<ul style="list-style-type: none"> <li>● Survey and assess the environmental impact.</li> <li>● Channels for receiving complaints.</li> </ul>	<ul style="list-style-type: none"> <li>■ Take care of the environment around the community.</li> <li>■ Reduce environmental impact and manage pollution.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Manage the use of natural resources with efficiency and maximum benefits.</li> <li>✓ Support environmental conservation in local communities.</li> <li>✓ Improve processes to reduce environmental impact regularly.</li> </ul>

## Environmental Sustainability Management

### Environmental Policies and Practices

The Company places great importance on using resources responsibly and efficiently, reducing the impact on climate change, including operations that strictly comply with laws, rules, regulations, and standards, along with cooperation and supporting surrounding communities in taking care of the environment around the hotel and nearby areas.

All affiliated hotels of the Company have applied for the Green Hotel assessment from the Department of Environmental Quality Promotion. At present, 4 out of 6 hotels have been certified. The other two hotels will be assessed by 2023. All hotels are expected to be certified by 2024.

## Environmental Performance

### Energy Management

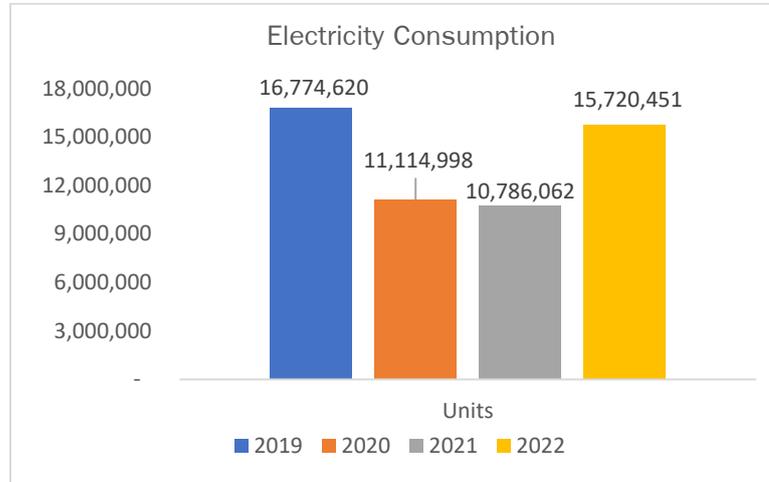
The Company places importance on consuming energy valuably along with promoting and supporting the use of environmentally friendly energy and using energy for maximum efficiency.

For the Year 2022, the Company continued to implement measures to reduce energy consumption to improve efficiency and reduce energy consumption. The results showed that there was a reduction in electricity consumption as follows:

- ✓ Transition to energy-saving equipment to further renovation/repair work by using a LED tube and a light bulb with a sensor to turn the light on and off and changed the control system to a more efficient one.
- ✓ Changed the hot water system to a heat pump system.
- ✓ Used golf carts and bicycles within the hotel to reduce energy consumption and carbon dioxide emissions.
- ✓ Earth Hour by inviting customers to participate in activities by the hotel pool for 1 hour to reduce the amount of electricity used in the room.

From the results of the measures to increase energy efficiency as mentioned above, electricity consumption in the hotel group in the past year had decreased compared to the period before the outbreak of COVID-19.

**The Company’s Electricity consumption**



Remark: 2019 – 2020 The Company have 5 hotels and Opening New Hotel as “Verso Huahin” in December 2020, Currently, the Company has 6 hotels in total.

**Water Resource Management**

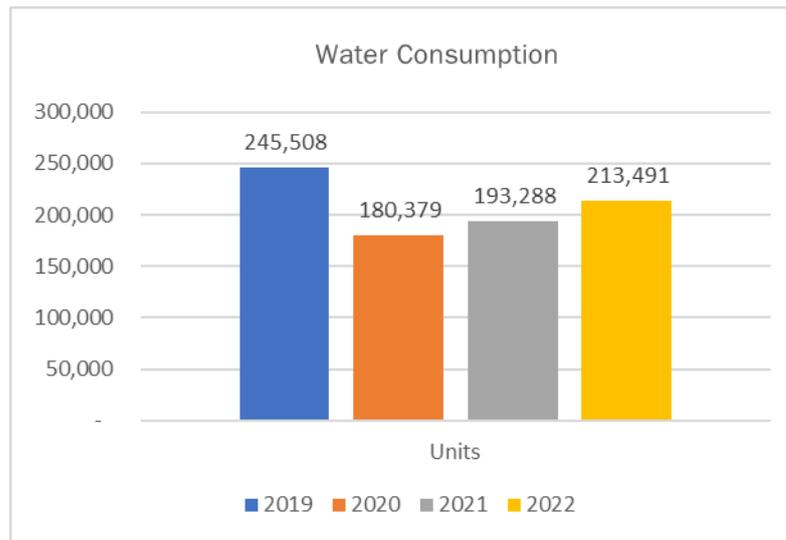
The hotel business is a business that requires a large number of water resources. Therefore, good water management methods must be used to ensure efficient use of water and not affect the service according to international standards.

The Company has arranged for all hotels to inspect water usage in different parts and change water meters in various places such as swimming pools, kitchens, laundry rooms, and other areas, which is a proactive measure to make it easier to detect water leaks. In addition, the Company has arranged preventive maintenance of machines with high water consumption rates and selected sanitary ware that can save water efficiently for all hotels.

Asides from the measures to reduce water consumption, the Company also reuses treated wastewater by watering trees and cleaning areas in the hotel.



**The Company's water consumption**



Remark: 2019 – 2020 The Company have 5 hotels and Opening New Hotel as “Verso Huahin” in December 2020, Currently, the Company has 6 hotels in total.

**Waste Management**

The Company has focused on managing waste problems arising from business operations. Therefore, measures are taken for service users, employees, and suppliers to reduce waste.

- ✓ 4 types of waste are sorted (recycled waste, organic waste, hazardous waste, and general waste) and have proper storage methods.
- ✓ No Bin Day – Every Tuesday is a campaign day for customers and staff to scoop food just right, eat all the food, and minimize food waste to reduce the amount of organic waste.
- ✓ Change the packaging to glass and tile containers, including the use of natural materials to reduce the use of foam, plastic, and paper.

**Energy Performance Goals**

1. Reduce the average annual electricity consumption by 2% compared to the previous year.
2. Reduce the average annual water consumption by 2% compared to the previous year.
3. Reduce the average annual gas consumption by 2% compared to the previous year.

**Sustainability Development in Social Dimensions**

The Company gives great importance to sustainability in the social dimension under good governance practices to build confidence for all groups of stakeholders as follow:

**Human Resource Development**

The Company believes that the importance under the social dimension is employment, training, and education. As a responsible employer, the Company is always committed to creating a good and safe working environment for its 900 employees. Developing professional knowledge and skills for executives and employees is a part of promoting stable and sustainable business development.

From the operating results of 2022, the Company has encouraged executives and employees to attend training/seminars related to business and apply the skills to use in work in a total of more than 300 courses, more than 1600 hours of training/seminars, and a total of 3,182 employees attended the training/seminars.

In addition, the Company operates employment with equal opportunities covering people with disabilities who can work from home to earn a living, including joining the SME project and a network of partners on labor and employment.

**Corporate Governance Report Assessment of Thai Listed Companies**

Result of 2022, the Company got a **Very Good** rating from the Corporate Governance Report of Thai Listed Companies (CGR) 2022 of the Thai Institute of Directors (IOD) supported by the Stock Exchange of Thailand (SET).

**Company Summary**

**VRANDA** VERANDA RESORT PUBLIC COMPANY LIMITED

Services/Tourism & Leisure

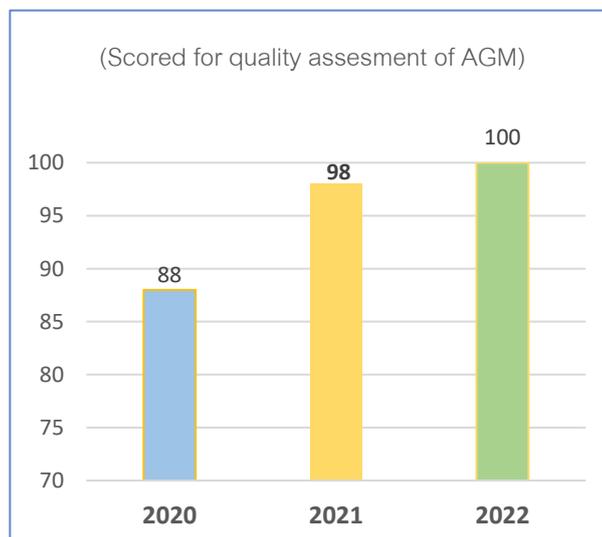
SET

CG Report: 

ช่วงคะแนน	สัญลักษณ์	ความหมาย
90 - 100		ดีเลิศ (Excellent)
80 - 89		ดีมาก (Very Good)
70 - 79		ดี (Good)
60 - 69		ดีพอใช้ (Satisfactory)
50 - 59		ผ่าน (Pass)
ต่ำกว่า 50	-	N/A

**Quality Assessment of Annual General Meeting of Shareholders**

The Company received 100% of the assessment results from the Quality Assessment of Annual General Meeting (AGM) project conducted by the TLCA in 2022. The goal for 2023 is a score of 100 percent and consistently get full marks



### **Business Ethics**

Ethical commitment, including fairness and morality in conducting business with all groups of stakeholders, is the heart of business operations. The Board of Directors has established principles and guidelines for directors, executives, employees, and all groups of stakeholders and has been disclosed on the Company's website.

[https://www.verandaresort.com/ir\\_index.php?ethics](https://www.verandaresort.com/ir_index.php?ethics)

### **Anti-Corruption**

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

([https://www.verandaresort.com/ir\\_index.php?anti\\_corruption](https://www.verandaresort.com/ir_index.php?anti_corruption))

### **Whistle blowing, corruption or complaints**

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

#### **Audit Committee**

E-mail : [auditcom@verandaresort.com](mailto:auditcom@verandaresort.com)

#### **Chief Executive Officer**

E-mail : [verawat@verandaresort.com](mailto:verawat@verandaresort.com)

Post Mail : The Audit Committee

Veranda Resort Public Company Limited

No. 555 Rasa Tower building 27<sup>th</sup> Floor, Paholyothin Road,

Chatuchak, Bangkok, 10900 Thailand.

### **Action after Receive the Complaint**

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

### **Protection and Confidentiality of the Complainant**

To protect the rights of complainant and relevant informants who acts in good faith, the Company shall keep all information of complainants and informants in confidentiality. Only the persons who are responsible in conducting inspection about the complaints can have access to such information. The assigned persons to handling the complaint

are responsible for keeping all information regarding the complaint, relevant documents as confidential and shall not disclose such information to other persons unless the disclosure is required by laws.

If you have any questions about anti-corruption policies and measures. You can ask questions or advice at

Company Secretary Department  
Tel: (02) 513-3003 ext. 802  
Email: com-secretary@verandaresort.com

Post Mail:

Company Secretary Department  
Veranda Resort Public Company Limited  
No. 555 Rasa Tower building 27<sup>th</sup> Floor, Paholyothin Road,  
Chatuchak, Bangkok, 10900 Thailand.

In the past year of 2022, the Company had not received any whistleblowing or complaints about misconduct and corruption from employees, shareholders, or all stakeholder groups of the Company.

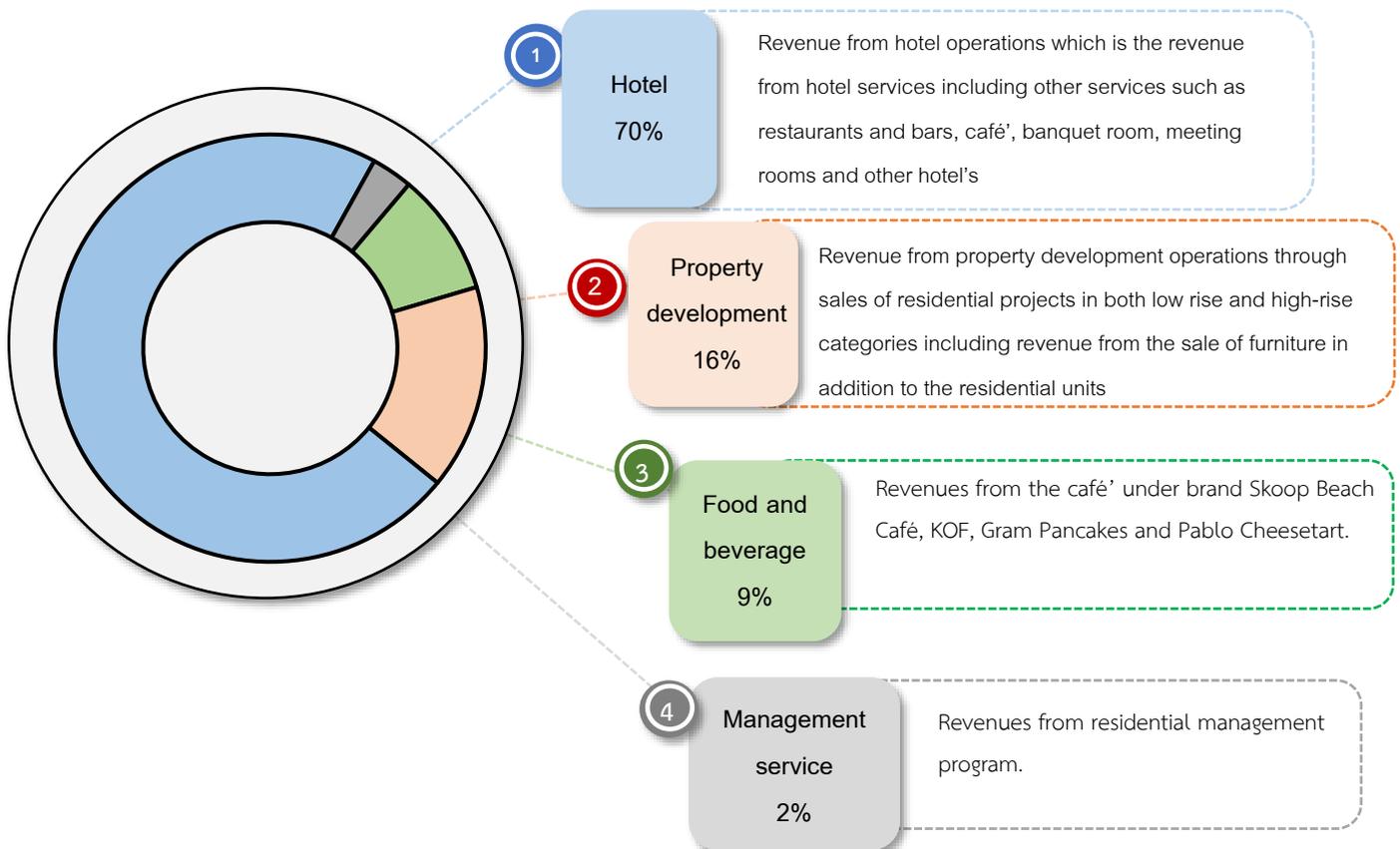


## Management Discussion & Analysis of the year 2022

### Revenue Structure

In 2022, The company generated total revenue of 1,366 THB mm with the main proportion came from revenue from hotel operations, 70% of total revenue, and revenue from property development operations accounted for 16% of total revenue. The following table shows the total revenue structure by business type for the three-month period ended 31 December 2022.

Revenues	2022	%	2021	%	YoY	Q4/22	%	Q3/22	%	QoQ
<b>Revenue from hotel operations</b>	955	70%	395	30%	+142%	324	80%	255	77%	+27%
<b>Revenue from property development operations</b>	222	16%	756	58%	-71%	33	8%	31	10%	+6%
<b>Revenue from sales of food and beverage</b>	116	9%	103	8%	+13%	29	7%	29	9%	+1%
<b>Revenue from management service</b>	28	2%	16	1%	+77%	9	2%	7	2%	+45%
<b>Other income</b>	45	3%	37	3%	+21%	10	2%	8	2%	+23%
<b>Total revenue</b>	<b>1,366</b>	<b>100%</b>	<b>1,307</b>	<b>100%</b>	<b>+4%</b>	<b>405</b>	<b>100%</b>	<b>330</b>	<b>100%</b>	<b>+23%</b>



For 2022, The company has total revenue increased by 59 THB mm or representing an increased rate of 4% compared to last year, mainly due to increase in revenue from hotel operations by strong recovery from tourism industry compared to last year. As the outbreak of COVID-19 slowed down and people around the world returned to travel near normal situation.

For three-month period ended 31 December 2022 the Company's revenue has increased 75 THB mm or representing an increased rate of 23% from previous quarter due to increase in revenue from hotel operation 69 THB mm or representing an increased rate of 27% which is the result of growth in occupancy rate and Average Daily Rate.

### Revenues and gross profit from hotel operations

#### Revenues from hotel operations

	Unit	For the year ended December 31			For the three-month period ended		
		2022	2021	YoY	31 Dec	30 Sep	QoQ
The number of operating hotels	Hotel	6	6		6	6	
The number of rooms	Room	675	675		675	675	
Occupancy rate	%	51%	23%	+28%	65%	57%	+8%
Average daily room rate	Baht/Room /Night	4,246	3,920	+8%	4,555	4,078	+12%
REVPAR	Baht/Room /Night	2,185	914	+139%	2,940	2,328	+28%
<b>Revenues from hotel operations</b>							
Room revenues	THB mm	549	230	139%	185	146	+27%
Food and beverage revenues	THB mm	279	110	153%	96	64	+28%
Revenues from other service	THB mm	127	55	131%	43	30	+26%
<b>Total revenues from hotel operations</b>	<b>THB mm</b>	<b>955</b>	<b>395</b>	<b>142%</b>	<b>324</b>	<b>255</b>	<b>+27%</b>

For 2022, revenues from hotel business have an increase 560 THB mm or representing an increased rate of 142% compared to last year mainly due to increase in the number of foreign tourists from country's reopening.

For the three-month period ended 31 December 2022, revenues from hotel business have an increase 69 THB mm or representing an increased rate of 27% compared to the previous quarter due to the recovery of occupancy rate and average room rate during high season.

#### Gross profit from hotel operations

Details	Unit	For the year ended December 31			For the three-month period ended		
		2022	2021	YoY	31 Dec	30 Sep	QoQ
Revenues from hotel operations	THB mm	955	395	+142%	324	255	+27%
Cost from hotel operations	THB mm	461	245	+88%	145	121	+20%
Gross profit from hotel operations	THB mm	494	150	+229%	179	134	+33%
Gross profit margin from hotel operations	%	52%	38%	+14%	55%	53%	+2%
Gross profit from hotel operations after depreciation	THB mm	315	-38	+908%	132	88	+50%

For 2022, gross profit from hotel operations increased by 344 THB mm or representing increase rate of 229% compare to last year mainly due to a significant increase in hotel revenue and continued cost and expense control, Generated gross margin at 52%.

For the three-month period ended 31 December 2022, gross profit from hotel operations increased by 45 THB mm or representing increase rate of 33% compared to the previous quarter, Generated gross margin at 55%.

### **Earnings before interest tax depreciation and amortization (EBITDA)**

Hotel Operations	Unit	For the year ended			For the three-month		
		December 31			period ended		
		2022	2021	YoY	31 Dec	30 Sep	QoQ
EBITDA	THB mm	271	36	+653%	107	75	+43%
EBITDA Margin	%	28%	9%	+19%	30%	29%	+1%

For 2022, Earnings before interest tax depreciation and amortization (EBITDA) increased by 653% compared to last year due to an increase of hotel revenues, Generate EBITDA Margin at 28%

For the three-month period ended 31 December 2022, Earnings before interest tax depreciation and amortization (EBITDA) increased by 43% compared to the previous quarter due to the increasing hotel revenues, Generate EBITDA Margin at 30%

## **Revenue and gross profit from property development operations**

### **Revenue from property development operations**

Residential project	Project value	Transfer status					
		For the year ended			For the three-month		
		December 31			period ended		
		2022	2021	YoY	31 Dec	30 Sep	QoQ
Veranda Residence Hua-Hin	2,417	202	734	-72%	33	31	6%
Veranda Residence Pattaya	1,899	12	14	-15%	-	-	-
Veranda High Residence Chiang Mai	198	8	8	-	-	-	-
<b>Total</b>	<b>4,514</b>	<b>222</b>	<b>756</b>	<b>-71%</b>	<b>33</b>	<b>31</b>	<b>6%</b>

For 2022, the Company's revenue from property development operations decreased by 534 THB mm or representing a decreased rate of 71% compare to last year due to Veranda Residence Hua Hin project gradually decreased the transfer of ownership.

For three-month period ended 31 December 2022, the Company's revenue from property development operations is at the same level compared to the previous quarter.

**Gross profit from property development operations**

Details	Unit	For the year ended			For the three-month		
		December 31			period ended		
		2022	2021	YoY	31 Dec	30 Sep	QoQ
Revenues from property development operations	THB mm	222	756	-71%	33	31	+5%
Cost from property development operations	THB mm	169	548	-69%	29	22	+5%
Gross profit from property development operations	THB mm	53	208	-75%	4	9	-52%
Gross profit margin from property development operations	%	24%	28%	-3%	13%	28%	-15%

For 2022, the Company's Gross profit from property development operations decreased by 155 THB mm or representing a decreased rate of 75% compared to last year due to decreased in revenue, Generate gross profit margin at 24%.

For three-month period ended 31 December 2022, the Company Gross profit from property development operations decreased by 5 THB mm or representing a decreased rate of 52% compared to the previous quarter, Generate gross profit margin at 13%.

**Selling expenses and administrative expenses**

	For the year ended 31 December			For the three-month period		
	ended			ended		
	2022	2021	YoY	31 Dec	30 Sep	QoQ
Selling expenses	157	132	+19%	47	39	+22%
Selling expenses to total revenue (%)	12%	10%	+2%	12%	12%	-
Administrative expenses	211	160	+31%	62	53	+17%
Administrative expenses to total revenue (%)	15%	12%	+3%	15%	16%	-1%

For 2022, the Company's selling expenses increased by 19% compared to last year and increased by 22% compared to the previous quarter which in line with increased of revenues from hotel operation.

For 2022, the Company's administrative expenses increased by 31% compared to last year and increased by 17% compared to the previous quarter due to increase in the expenses involves employees and management fee which in line with increased of revenues from hotel operation.

**Earnings before interest tax depreciation and amortization (EBITDA)**

Details	Unit	For the year ended			For the three-month period		
		31 December			ended		
		2022	2021	YoY	31 Dec	30 Sep	QoQ
EBITDA	THB mm	299	172	+74%	103	78	+33%
EBITDA Margin	%	22%	13%	+9%	25%	24%	+1%

For 2022, the Company's earnings before interest tax depreciation and amortization (EBITDA) increased by 126 THB mm or representing an increased rate of 74% compared to last year due to a significant recovery in revenue from hotel operations.

For three-month period ended 31 December 2022, the Company's earnings before interest tax depreciation and amortization (EBITDA) increased by 25 THB mm or representing an increased rate of 33% compared to the previous quarter due to continued recovery in revenue from hotel operation.

### Depreciation and amortization

For 2022, the Company's depreciation and amortization 227 THB mm decreased by 9 THB mm or representing a decreased rate of 4% compared to last year.

### Financial expenses

For 2022, the Company's financial expenses 71 THB mm decreased by 3 THB mm compared to last year due to repayment of long-term loans from financial institution.

For three-month period ended 31 December 2022, the Company's financial expenses increased by 3 THB mm compared to the previous quarter from interest expenses on debentures issued in November 2022 and higher MLR lending rates.

### Net profit and net profit margin

	Unit	For the year ended 31 December			For the three-month period		
		2022	2021	YoY	31 Dec	30 Sep	QoQ
		Net (Loss) profit	THB mm	1.1	(107.2)	+101%	18.6
Net (Loss) profit Margin	%	0.1%	-8%	+8%	5%	1%	+4%

For 2022, the Company's net profit is 1.1 THB mm increased by 101% compared to last year. For three-month period ended 31 December 2022, the Company's net profit is 18.6 THB mm increased by 841% compared to the previous quarter due to increase of EBITDA from hotel operations.

### Financial Statement

Details	Unit	31 Dec 2022	31 Dec 2021	Change %
Total assets	THB mm	4,741	4,795	-1%
Total liabilities	THB mm	2,810	2,865	-2%
Total equity	THB mm	1,931	1,930	-
D/E	times	1.45	1.48	
IBD/E	times	1.24	1.25	

As 31 December 2022, the Company had total assets of 4,741 THB mm, decrease from 31 December 2021 by 54 THB mm or 1%, mainly due to reduce in properties development for sale by the transfer of ownership of the Veranda Residence Hua-hin project.

As 31 December 2022, the Company had total liabilities 2,810 THB mm, decrease from 31 December 2021 by 55 THB mm or 2%, mainly due to

- Long-term loans from financial institutions decreased due to the repayment of the loan as scheduled.
- Advance received from transfer is recognized as income during the period of property development business.

As 31 December 2022, the Company had total equity 1,931 THB mm, increase from 31 December 2021 by 1 THB mm by net profit in 2022.

As 31 December 2022, the Company D/E ratio is 1.45 times and the IBD/E ratio is 1.24 times which slightly lower compare to the previous ending year.

### General and other important information

Thai's name	: <b>Veranda Resort Public Company Limited (VRANDA)</b>
English's name	: Veranda Resort Public Company Limited
Type of Business	: Hotel, Real Estate and Restaurant
Head Office address	: 555 Rasa Tower Unit 2701-2704 Floor.27 <sup>th</sup> , Paholyothin Road, Chatuchak, Bangkok, 10900 Thailand
Company Registration No	: 0107561000382
Telephone No.	: (66) 2513 3300
Fax No.	: (66) 2513 5110
Website	: www.verandaresort.com
Registered Capital as of 31 Dec 2022	: 1,750.00 Million Baht
Paid-up capital as of 31 Dec 2022	: 1,598.41 Million Baht
Company Secretary & Investor Relations	: Mr.Varut Tantiphipop
Telephone No.	(66) 2513 3300
E-Mail: Company Secretary	Com-Secretary@verandaresort.com
E-Mail: Investor Relations	ir@verandaresort.com

### **Subsidiaries**

Name of Company	: <b>(1) Veranda Beach Pattaya Co.,Ltd (VBP)</b>
Type of Business	: Hotel and Real estate
Head Office	: 555 Rasa Tower Unit 2701-2704 Floor.27 <sup>th</sup> , Paholyothin Road, Chatuchak, Bangkok, 10900 Thailand
Company Registration No	: 0105549089601
Tel.	: (66) 2513 3300
Fax.	: (66) 2513 5110
Website	: www.verandaresort.com
Registered Capital	: 300 Million Baht
Paid-up capital	: 300 Million Baht
Name of Company	: <b>(2) Hua Hin Pool Suite Co.,Ltd (HHP)</b>
Type of Business	: Hotel
Head Office	: 555 Rasa Tower Unit 2701-2704 Floor. 27 <sup>th</sup> , Paholyothin Road, Chatuchak, Bangkok, 10900 Thailand
Company Registration No	: 0105546028296
Tel.	: (66) 2513 3300
Fax.	: (66) 2513 5110
Website	: www.verandaresort.com
Registered Capital	: 50 Million Baht
Paid-up capital	: 50 Million Baht

Name of Company	: (3) <b>Oaktree Co.,Ltd (OKT)</b>
Type of Business	: Hotel
Head Office	: No. 2 North Sathorn, Silom, Bangrak, Bangkok, 10500
Company Registration No	: 0105548045937
Tel.	: (66) 2513 3300
Fax.	: (66) 2513 5110
Website	: www.so-sofitel-bangkok.com
Registered Capital	: 850 Million Baht
Paid-up capital	: 850 Million Baht
Name of Company	: (4) <b>Oaktree Realty Co.,Ltd (OTR)</b>
Type of Business	: Commercial buildings for rent
Head Office	: 555 Rasa Tower Unit 2701-2704 Floor. 27, Paholyothin Road, Chatuchak, Bangkok, 10900 Thailand
Company Registration No	: 0105554122531
Tel.	: (66) 2513 3300
Fax.	: (66) 2513 5110
Registered Capital	: 5 Million Baht
Paid-up capital	: 5 Million Baht
Name of Company	: (5) <b>The ISA Resort Co.,Ltd (ISA)</b>
Type of Business	: Hotel
Head Office	: 438/1 Moo. 1, Maret, Koh Samui Suratthani, 84310
Company Registration No	: 0845546002797
Tel.	: (66) 7733 2888 - 95
Fax.	: (66) 7741 8367
Website	: www.rockyresort.com
Registered Capital	: 100 Million Baht
Paid-up capital	: 100 Million Baht
Name of Company	: (6) <b>Veranda Cuisine Co.,Ltd (VCS)</b>
Type of Business	: Foods and Beverages
Head Office	: 555 Rasa Tower Unit 2701-2704 Floor. 27, Paholyothin Road, Chatuchak, Bangkok, 10900 Thailand
Company Registration No	: 0105558148003
Tel.	: (66) 2513 3300
Fax.	: (66) 2513 5110
Registered Capital	: 20 Million Baht
Paid-up capital	: 20 Million Baht

Name of Company : **(7) PDS Holding Co.,Ltd (PDS)**  
 Type of Business : Foods and Beverages  
 Head Office : 120/109, Ratchapralop Road, Phyathai, Rachtewi, Bangkok  
 Company Registration No : 0105554026329  
 Tel. : (66) 2656 3653  
 Fax. : (66) 2656 3653  
 Registered Capital : 120 Million Baht  
 Paid-up capital : 120 Million Baht

Name of Company : **(8) Veranda Pastry Co.,Ltd (VPT)**  
 Type of Business : Veranda Pastry Company Limited  
 Head Office : Foods and Beverages  
 Company Registration No : 555 Rasa Tower Unit 2701-2704 Floor. 27<sup>th</sup>,  
 Paholyothin Road, Chatuchak, Bangkok, 10900 Thailand  
 Tel. : 0105564162292  
 Fax. : (66) 2513 3300  
 Website : (66) 2513 5110  
 Registered Capital : 5.00 Million Baht  
 Paid-up capital : 5.00 Million Baht

#### Reference

**Securities registrar** : Thailand Securities Depository Co., Ltd (TSD)  
 Head Office : 93, Rachadapisek Road, Din Daeng Bangkok 10400  
 Tel. : (66) 2009 9000  
 Fax. : (66) 2009 9991

**Auditors** : KPMG Phoomchai Audit Ltd.  
 Head Office : No. 1 Empire Tower, 50<sup>th</sup> Floor, South Sathorn Road,  
 Yannawa, Sathorn, Bangkok, 10120  
 Tel. : (66) 2677 2000  
 Fax. : (66) 2677 2222

#### Other Informations

- None -

**Legal Dispute**

As of 31<sup>st</sup> December 2022, the Company as its subsidiaries had legal disputes as follows:

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

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

Later in 2019, a group of plaintiffs filed a lawsuit against the Director-General of the Department of Lands and et. al. defendants with the Phetchaburi Administrative Court. The Phetchaburi Administrative Court had ordered the Company to become the interpleader of a case. The plaintiffs claimed the Director-General of the Department of Lands and et. al. defendants had issued title deeds, invading or overlapping the road or public way along the beach of Hua Hin Sea and at the foothill of Khao Takiab. Afterward, the Phetchaburi Administrative Court gave judgment on 15th July 2020 to revoke only the invasive part or the part that overlapped the road boundary that may affect a total area of approximately 53 squares wah with a book value of 4.9 million baht (buildings excluded). The Company had already set up a reserve for damages from such lawsuits that may occur in full amount in the 2021 financial statements (a set up under the Conservatism Principles of Accounting).

However, the Company and other defendants did not agree with the judgement in the said case, therefore appealed to the Supreme Administrative Court. The Company filed an appeal and an amendment to the appeal on 13<sup>th</sup> August 2020 and 27<sup>th</sup> November 2020, respectively.

As of 31<sup>st</sup> December 2022, the case is still under consideration by the Supreme Administrative Court.

**Major Labor Disputes**

- None -

**Secondary Market**

- None -

## Part 2 Corporate Governance

### Corporate Governance

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

### Corporate Governance Policy

In conducting business for the sustainability of the Company and the balanced interests of the Company’s stakeholders, the Board of Directors has set the operational management policy and a governance system based on the principles of good corporate governance by adhering to transparency and responsibilities to all stakeholders and society as guidelines for business operations for directors, executives and employees of the Company. The Board of Directors has constantly reviewed and updated the corporate governance principles.

Directors, executives, and employees have acknowledged the Code of Conduct and Corporate Governance Policy and complied with such regulations as part of the discipline. In addition, the Company has disseminated and communicated to everyone in the organization to be aware of the code of conduct and good practice. The said policy has been disseminated through the Company’s website [https://www.verandaresort.com/ir\\_index.php?corporate\\_governance](https://www.verandaresort.com/ir_index.php?corporate_governance) and new employee orientation. The Good Corporate Governance Policy according to the CG Code has laid down eight principles of practice for the Board of Directors as follows:

### Principle 1: The Board of Directors’ Roles and Responsibilities

- **Principle 1.1**

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

- **Principle 1.2**

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

- **Principle 1.3**

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

- **Principle 1.4**

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

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

- **Principle 2.1**

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

- **Principle 2.2**

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

## **Principle 3: Building a Competent Board**

- **Principle 3.1**

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

- **Principle 3.2**

As of 31 December 2021, The Board of Directors was comprised of 4 independent directors, 4 executives directors, and 6 non-executives directors.

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

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

- **Principle 3.3**

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

3.3.1 The nomination and remuneration committee shall confer to bring out criteria and qualified candidates to fulfill an effective manpower composition. Candidate backgrounds are to be presented to the board before

the shareholder's meeting is being held to appoint directors of the board. Furthermore, the company will suffice candidate's background information to shareholders for their consideration.

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

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

- **Principle 3.4**

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

- **Principle 3.5**

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

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

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

- **Principle 3.6**

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

The Board shall consider governance policies for subsidiaries covering:

- (1) levels of authorities – directors, executives, or heads of subsidiaries – are appointed by the board except such subsidiaries are small and appear as operating arms of the company. The board shall assign the chairman of executive directors to appoint those positions.
- (2) to define roles and responsibilities of company delegates stated in (1) Such delegates supervise operations aligning subsidiary's policies. In case subsidiaries have other joint ventures, the board shall set policies for the best benefits of subsidiaries for delegates to perform. Such policies shall be in compliance with mother companies.
- (3) Internal control system of subsidiaries shall be executed appropriately, precisely, and sufficiently. Doing other transactions is run by the rule of law and concerned criteria.
- (4) Information disclosure of financial status, operational outcomes, and doing other transactions with related persons, acquisition and distribution of assets, other significant transacting, capital increase, capital decrease, termination of subsidiaries, etc.

● **Principle 3.7**

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

- The Board requires company's directors to assess themselves. Assessment is carried out into 3 types 1) self-assessment form as the whole board of directors 2) self-assessment form as per sub-committee and 3) self-assessment form of individual sub-committee member. Assessment criteria are in line with the example of self-assessment of The Stock Exchange of Thailand. The Company secretary has compiled, summarized and reported assessment results to the board of directors.

The criteria for self-assessment of directors in 2022 are as follows:

More than 90 % =	Exellent
More than 80% =	Very Good
More than 70% =	Good
More than 60% =	Fair
Less than 60% =	Should Improve

1. The self-assessment form of the entire Board of Directors received an average score of 95.62% , at an excellent level. The category with the highest score was the section of the board meetings because the Board of Directors recognized the importance of performing duties in meetings to consider, approve and comment / advise on matters that were important and relevant to the Company's performance.
2. The self-assessment form Audit committee received an average score of 97.85%, at an excellent.
3. The self-assessment form Nomination & Remuneration committee received an average score of 92.61%, at an excellent.
4. The self-assessment form of individual sub-committees received an average score of 97.28%, at an excellent.
  - The company arranges to have performance evaluation of the chairman of the executive officers covering leadership, strategic planning, financial planning and financial performance so as to develop operations more effectively.
    - Assessment score of Chief Executive Officer for the year 2022 at 90.45%

■ **Principle 3.8**

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

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

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

### Training of The Board of directors

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

Name	Position	Certification						
		(DAP)	(DCP)	(AACP)	(ACP)	(CGI)	(EMT)	(CSP)
Mr.Chai Jroongthanapibarn	Chairman/Independent Director		29/2546		4/2548			
Mr.Paiboon Kujareevanich	Chairman of Audit Committee/ Independent Director	113/2557					108/2551	159/2562
Mr.Trairak Tengtrairat	Audit Committee / Independent Director	109/2557		15/2557		7/2558		
Assoc.Prof.Siriporn Maneepun	Independent Director	27/2547						
Mr.Verawat Ongvasith	Director / Chief Executive Officer	22/2547						
Mrs.Tosaporn Angsuwarangsi	Director	22/2547						
Mrs.Napasorn Soonthornmanokul	Director	137/2560						
Mr.Surasak Wongkiatthavorn	Director	137/2560						
Mr.Siriwat Vongjarukom	Director	9/2547	42/2547					
Mr.Kittisak Sopchokchai	Director	54/2549						

### Training/seminar courses that the Board of Directors had attended in 2022 are as follows:

#### Chai Jroongtanapibarn

Chairman of the Board/Chairman of the Nomination and Remuneration Committee/Independent Director

- The course on the topic “Hot Issue for Directors: What Directors Need to Know About Digital Assets?”, Class 3/2022 on October 3, 2022, by the Thai Institute of Directors (IOD).

#### Paiboon Kujareevanich

Chairman of the Audit Committee/Member of the Nomination and Remuneration Committee/Chairman of the Risk Management Committee/Independent Director

- The seminar on “Easy Listening: Accounting Tips that AC Should Not Miss” on January 28, 2022, by the Office of the Securities and Exchange Commission (SEC).
- The course on the topic of “Hot Issue for Directors: What Directors Need to Know About Digital Assets?”, Class 3/2022 on October 3, 2022, by the Thai Institute of Directors (IOD).
- The seminar on “How Should Business Sectors Adjust Their Strategies to Catch Up with the World to Survive the Crisis and Grow Sustainably During the Global Economic Crisis Caused by Epidemics, War, Energy, and Inflation?” on October 11, 2022, by EY Office Limited.

- Mr. Trairak Tengtrairat**                      Audit Committee/Independent Director
- The course on the topic “ESG Information Disclosure in Form 69-1 for FA” on September 22, 2022, by the Association of Thai Securities Companies (ASCO).
  - The course of National Defense College (NDC) Class 65, October 2022 by National Defense College.
  - The seminar on organizing a meeting to listen to guidelines in “Preparation for Submitting an Application for an IPO Offering with a 3-year PAE Budget” on December 2, 2022, by the Association of Thai Securities Companies (ASCO).
- Mrs. Siriporn Maneepun**                      Audit Committee/Independent Director
- The seminar on “Easy Listening: Accounting Tips that AC Should Not Miss” on January 28, 2022, by the Office of the Securities and Exchange Commission (SEC).
  - The Diploma on “Health Management Innovation in the Digital Age (Hida)”, Class 2 on September 13, 2022, by the Faculty of Science and Technology Suan Sunandha Rajabhat University.
- Mr. Verawat Ongvasith**                      Vice Chairman/Executive Chairman/Chief Executive Officer
- The seminar on “Property Inside 2022: The Way to Survive for Real Estate After the COVID – The Flames of War” on July 11, 2022, by Than Setakij Newspaper.
  - The webinar on “Principal Investment Forum 2H/2022 – Navigating Turbulent Market Challenges” on August 19, 2022, by Principal Asset Management Co., Ltd.
  - The training on “Wealth of Wisdom #1” on September 2, 2022 – December 1, 2022, by Krungthep Turakij Newspaper in collaboration with Than Setakij Newspaper
  - The webinar on “Digital Transformation Trends & Journey: The Secret Sauce of Driving Successful Digital Transformation” on December 15, 2022, by the Thai Institute of Directors (IOD).
- Mrs. Tosaporn Angsuwarangsi**                      Director/ Executive Director/Risk Management Committee/Deputy Chief Executive Officer of Finance and Accounting
- The seminar on “In-depth Financial Statement Preparation and In-depth analysis of Financial Statements” on September 20, 2022, by the Welfare Department of Business Development Ministry of Commerce.
  - The seminar on “TFRS Issues: Observations on Audit Quality of the Office of the Securities and Exchange Commission 2013 – 2020” on October 25, 2022, by the Welfare Department of Business Development Ministry of Commerce.
  - The course of the TLCA CFO Professional Development Program (TLCA CFO CPD) No. 6 / 2022 on the topic “CFO’s Role in Corporate Sustainability” on October 31, 2022, by Thai Listed Companies Association.
  - The course on the topic “Summary of TFRS Financial Reporting Standards that Have Changed and Become Effective in 2023” on November 1, 2022, by the Stock Exchange of Thailand.
  - The course of the TLCA CFO Professional Development Program (TLCA CFO CPD) No. 7 / 2022 on the topic “Introduction to Sustainable Finance” on November 30, 2022, by the Thai Listed Companies Association.

**Mrs. Napasorn Soonthornmanokul** Director/Executive Director

- The course of the TLCA CFO Professional Development Program (TLCA CFO CPD) No. 7 / 2 0 2 2 on the topic “Introduction to Sustainable Finance” on November 30, 2022, by the Thai Listed Companies Association.

**Mr. Surasak Wongkiatthaworn** Director/Executive Director/Risk Management Committee/Deputy Chief Hotel Operations Officer

- The course on the topic “Hot Issue for Directors: What Directors Need to Know About Digital Assets?”, Class 3/2022 on October 3, 2022, by the Thai Institute of Directors (IOD).

**Mr. Kittisak Sopchokchal** Director/Member of the Risk Management Committee

The seminar on “ESG Risks Matter to Supply Chain Management” on December 13, 2022, by Thai Listed Companies Association.

### Principle 3.9

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

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

- **Principle 4.1**

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

- **Principle 4.2**

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

- **Principle 4.3**

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

- **Principle 4.4**

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

## Principle 5: Business Operations with Responsibility’s

- **Principle 5.1**

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

- **Principle 5.2**

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

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

- **Principle 5.3**

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

- **Principle 5.4**

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

## Principle 6: Supervision of Accountable Risk Management and Internal Control

### ● Principle 6.1

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

### ● Principle 6.2

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

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

### ● Principle 6.3

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

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

### ● Principle 6.4

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

### ● Principle 6.5

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

## Principle 7: Retainment of Disclosure and Financial Integrity

### ● Principle 7.1

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

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

- **Principle 7.2**

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

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

- **Principle 7.3**

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

- **Principle 7.4**

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

- **Principle 7.5**

The board shall direct the management to have an Investor Relations officer responsible for exchanging information with shareholders and other stakeholders such as investors and analysts in appropriate means of communication, equality, and timing. In 2021, the Company has communicated with analysts total 7 meetings.

- **Principle 7.6**

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

## **Principle 8 : The Support of Engagement and Communication with Shareholders**

- **Principle 8.1**

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

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

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

(1) Establishing criteria that allow minority shareholders to propose agenda items in shareholder's meetings. The board shall consider shareholders' proposals being included in the agenda, and if the board rejects any of the proposals, the reasons should be given in shareholder's meetings.

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

8.1.3 The board shall arrange for the notice of the shareholders' meeting and related papers to contain accurate, complete, and sufficient information both in Thai and English versions and to be sent to shareholders and posted on the company's website at least 21 days before the meeting. Including organizing an electronic shareholders' meeting to help reduce the burden of shareholders in terms of meeting time and travel expenses to attend the meeting.

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

- **Principle 8.2**

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

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

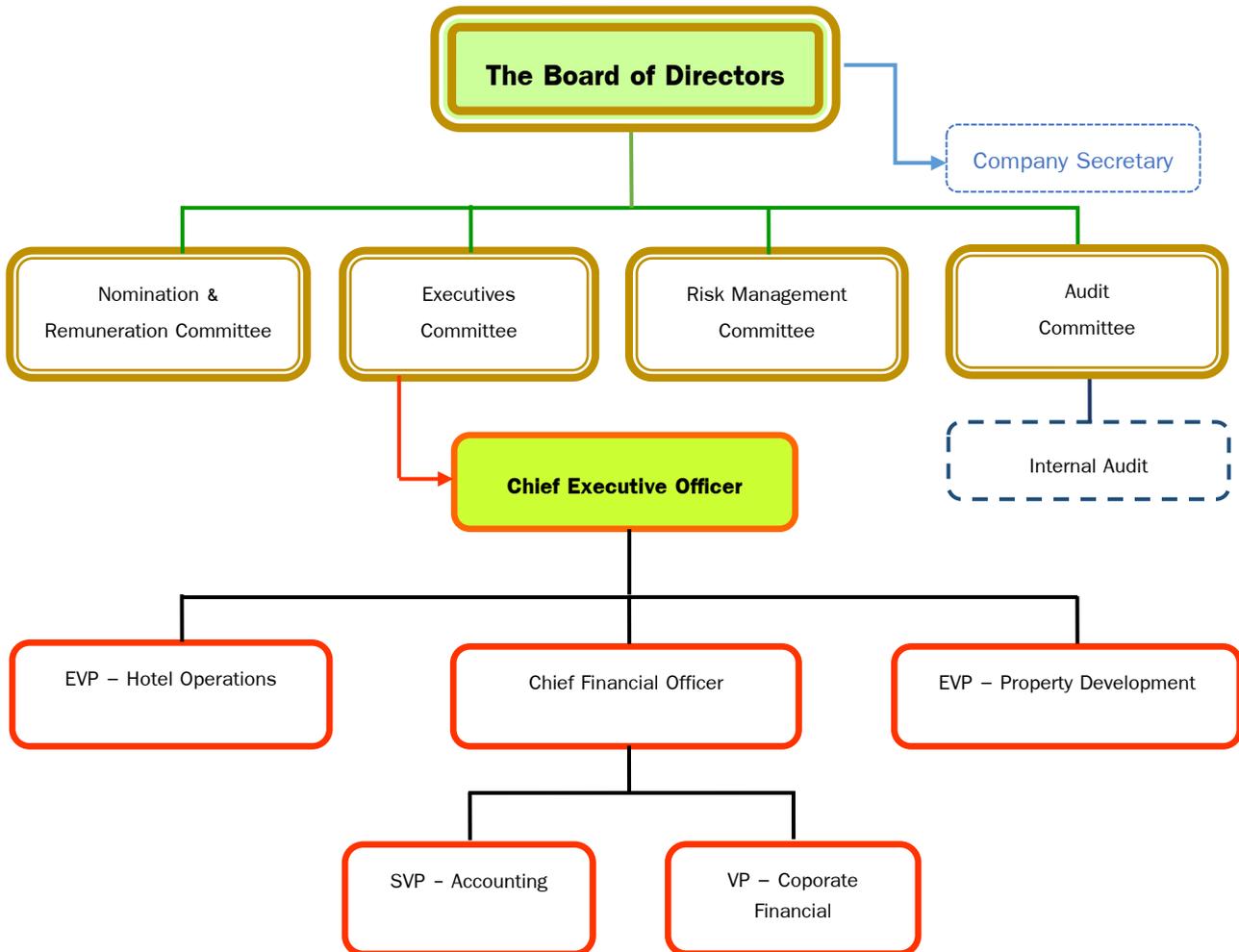
The board shall promote the use of ballots for voting on important resolutions proposed at the shareholders' meeting and designate an independent party to count or to audit the voting results in the meeting, and to disclose such voting results at the meeting by identifying the number of "for", "against"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

- **Principle 8.3**

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

**Management Structure**

**Company's Structure at 31<sup>st</sup> December 2022**



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

As of 31 December 2022, the management structure of the Company consists of the Board of Directors and the Executives. The Board of Directors consists of Independent Directors, executive and non-executive Directors. 1/3 of the members are Independent Directors.

The Board of Directors determine to have 4 sets of committees with the Audit Committee, Nomination & Remuneration Committee, Risk management Committee and Executives Committee. And determine that the Chairman of the Board of Directors, Audit Committee and Nomination & Remuneration Committee are Independent Director.

#### **Structure of Directors and composition of the Board of Director**

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

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

#### **Independent Directors**

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

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

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

### **Board of Directors**

According to the Company's regulations, the Board of Directors consists of at least five and at least half of the directors must reside in the Kingdom without sex discrimination. The Directors must perform duties with honesty, be careful and maintain the Company's benefit.

The Board of Directors on 31 December 2022 have 10 members are as follows;

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

*Mr.Varut Tuntiphop is a Company Secretary*

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

### **The Board of Directors' Roles and Responsibilities**

1. Arrange the annual general meeting of shareholders within 4 months from the end of the company's accounting period.
2. Arrange for a committee meeting at least every three months.

3. Perform duties in accordance with the laws, objectives, regulations of the company, board resolutions and shareholders meeting resolutions with responsibility, caution and honesty.
4. Supervise the administration and performance of the Executive Committee, Chairman of the Board, Chairman of the Executive Committee, management, or any person assigned to perform the said duties In order to be in accordance with the vision, mission, business strategies, business directions, business policies, goals, guidelines, operational plans and the budget set by the board of directors.
5. Supervise and taking care of the management and various operations of the company and subsidiaries in accordance with the policies of the company, securities law as well as announcements, regulations, and rules relevant of the Capital Market Supervisory Board, Securities and Exchange Commission, and the Stock Exchange of Thailand, for instance, related transactions operation, the acquisition or distribution of important assets to the extent that it is not contrary to or inconsistent with other laws, including establishing an adequate and appropriate internal control and internal audit system.
6. Assess the performance of the entire board including evaluating the performance of individual board to review the workings Problems and obstacles each year and to be able to improve working operations in various fields.
7. Determine the details and approve the vision, mission, business strategies, business directions, business policies, goals, guidelines, operational plans and the company's budget and its subsidiaries' according to the operation of executive committee and the management.
8. Arrange for a balance sheet and the income statement at the end of the company's fiscal year and those of subsidiaries and signing to certify the said financial statements to be presented to the shareholders' meeting at the annual general meeting for approval; the annual financial statements which have been audited by the auditor is to send to the Stock Exchange of Thailand within the period specified by law; to prepare and submit quarterly financial statements which have been reviewed by the auditor to the Stock Exchange of Thailand within the period specified by law.
9. Consider and approve the selection, appointment and terminate of the auditor and consider the appropriate remuneration as proposed by the audit committee before presenting to the shareholders' meeting at the annual general meeting for approval.
10. Appoint sub-committee including the audit committee, board of directors or any other sub-committee and determine the authorities and duties of the said sub-committee to assist and support the board's duties as work as considering the remuneration for the sub-committee (Not more than the total amount approved by the shareholders).
11. Appoint a person to be a committee or executives of subsidiary company for the least proportion of number of shares held in the subsidiary company; define a framework of duties and responsibilities of the directors and executives who are clearly appointed. This includes determining the framework for the exercise of clear discretion in voting in the board of directors' meeting of the subsidiary company on important matters that must be approved by the board of directors first in order to have management control in accordance with company policy and to legally do various items which includes the disclosure of financial status, information, performance and related party transactions together with the complete and correct of the acquisition or distribution of significant assets.
12. Consider and approve the expenditure for investment, various operations, borrowing or requesting any credit from financial institutions as well as becoming a guarantor for normal business operations of the company, subsidiaries, including affiliated companies without limit regulated by company regulations Including relevant rules and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board.
13. Consider and approve the connected transaction between companies and subsidiary companies stated in the Securities and Exchange Act B.E. 2 5 3 5 ( including additional amendments) including announcements,

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

However, any matters where the directors and/or related person have interest or conflict of interest with The Company and/or its subsidiaries (if any), the said directors have not right to vote on such matter.

#### **The appointment and retirement of the Board of Directors**

1. At each annual general meeting of shareholders, 1/3 of the directors, or if the number is not a multiple of 3, then the number nearest to 1/3, must retire from office. The directors who have been the longest in office shall retire first. The retiring directors may be re-elected.
2. Prior to annual general meeting of shareholder, the company will give an opportunity to any stakeholders to submit candidates, then the Nomination and Remuneration Committee will select and nominate qualified persons to be directors to the Board of Directors before seeking approval from the shareholders' meeting.
3. The shareholders' meeting shall appoint the Directors upon the rules and procedures below
  - 3.1 Each shareholder shall have one vote per share.
  - 3.2 Each shareholder may cast all his/her vote(s) according to electing one or several candidates as directors, and can allot the votes to any person at any number.
  - 3.3 The candidates receiving the highest number of votes in the respective order of the votes shall be elected as directors at such time. In the event that a number of candidates receiving an equal number of votes for the last directorship exceed the number of directors required, Chairman of the meeting shall have a casting vote.
4. Apart from retirement by rotation, the Directors shall vacate the office upon:
  - Death;
  - Resignation;
  - Lack of qualification or possession of prohibited characteristics as written in section 68 Public Limited Companies Act B.E. 2535;
  - Removal by resolutions of the Shareholders' meeting as written in section 76 Public Limited Companies Act B.E. 2535;
  - Dismissal by a court order.

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

### **The Term of Office of Directors**

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

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

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

### **Board of Directors' Meeting**

The Board of Directors announced the Board Meeting's schedule in advance for 1 entire year to the directors and the relevant parties requiring that arranged every quarter, with a special session meeting involved with company's benefit allowed to be convened as deemed necessary.

In the year 2022, there are schedules of Directors' Meeting for the year 2022 in advance as the follow;

No.	Board of Directors Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Non-Executives Directors Meeting
1	25 February 2022	25 February 2022	25 February 2022	25 February 2022
2	13 May 2022	13 May 2022		
3	15 August 2022	15 August 2022		
4	11 November 2022	11 November 2022		

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

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

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

In the year 2022, Meeting attendance of the Board of Directors are 94% of all meetings. Details are as follow;

	Name	Position	Attendance (Times)			
			Normal Term	Extra Term	Total	Shareholders Meeting
1	Mr.Chai	Jroongthanapibarn Chairman / Independent Director	4/4	1	5/5	2/2
2	Mr.Paiboon	Kujareevanich Independent Director	4/4	1	5/5	2/2
3	Mr.Trairak	Tengtrairat Independent Director	3/4	1	4/5	1/2
4	Assoc.Prof.Siriporn	Maneeapan Independent Director	3/4	1	4/5	2/2
5	Mr.Verawat	Ongvasith Vice Chairman / Director	4/4	1	5/5	2/2
6	Mrs.Tosaporn	Angsuwarangsi Director	4/4	1	5/5	2/2
7	Mrs.Napasorn	Soonthornmanokul Director	4/4	1	5/5	2/2
8	Mr.Surasak	Wongkiatthavorn Director	4/4	1	5/5	2/2
9	Mr.Kittisak	Sopchokchai Director	4/4	1	5/5	2/2
10	Mr.Siriwat	Vongjarukorn Director	3/4	1	4/5	1/2

### The Audit Committee

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

In the year 2022, Audit Committee held 4 meetings. Or 83.33%. Details are as follow:

Name – Surname	Position	The Meeting of the Audit Committee (Times)
Mr.Paiboon Kujareevanich	Chairman of Audit Committee	4/4
Assoc.Prof.Siriporn Maneeapan	Member of Audit Committee	3/4
Mr.Trairak Tengtrairat	Member of Audit Committee	3/4

*Ms.Ladda Somsiripornchai is a secretary of the Audit Committee*

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

### Scope of Authority and Responsibilities of the Audit Committee

1. Review the company's financial reports to be accurate and sufficient financial by coordinating with external auditors and responsible executives; preparing quarterly and annual financial reports. The audit committee may suggest that the auditor should review or inspect any items that are considered important and necessary during the audit of the company.
2. Review the company to have an internal control system and internal audit system that are appropriate, sufficient, and effective, including considering the independence of the internal audit department as well as giving approval

to the appointment, transfer, and dismissal of the head of the internal audit department or any other departments responsible for internal auditing.

3. Review the company to comply with the law on securities and stock exchange regulations of the Stock Exchange of Thailand or laws related to the company's business.
4. Consider, select, nominate and terminate the company's auditors, including propose the remuneration of the said person to the Board of Directors to propose to the Meeting of Shareholders, also to attend the meetings with auditors without the attendance of management at least once a year.
5. Consider the connected transaction or transactions that may have conflicts of interest to be accurate and complete and to be in accordance with the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and to the maximum benefit for the company.
6. Prepare the report of the Corporate Governance Committee of the Audit Committee by disclosing in the company's annual report. The said report must be signed by the chairman of the audit committee and must contain at least the following information:
  - (1) Comments on the accuracy, completeness, and credibility of the company's financial reports.
  - (2) Comments on the sufficiency of the company's internal control system.
  - (3) Comments on compliance with the Securities and Exchange Act Regulations of the Stock Exchange of Thailand or laws related to the company's business.
  - (4) Comments on the suitability of the auditor.
  - (5) Comment on transactions that may have conflicts of interest.
  - (6) The number of the audit committee meetings and the attendance of each member of the audit committee.
  - (7) Overall opinion or observation that the Audit Committee received from performing its duties under the Charter and
  - (8) Other transactions that shareholders and general investors should know within the scope of duties and responsibilities assigned by the Board of Directors.
7. Perform other duties as assigned by the Board of Directors with the approval of the audit committee.
8. In the performance of duties of the audit committee, if found or suspect that the following items or actions may have a significant impact on the company's financial status and operating results, the Audit Committee must report to the Board of Directors for improvement within the time that the Audit Committee deems appropriate. The Audit Committee has the power to seek independent opinions from any other professional advisors when considering necessary at the company's expense in order to successfully perform tasks under responsibility:
  - (1) Items that cause conflicts of interest
  - (2) Fraud or irregularities or significant defects in the internal control system
  - (3) Violations of laws governing securities and exchange, regulations of the Stock Exchange of Thailand, or laws related to the company's business.
9. Review and propose to amend the scope of duties and responsibilities of the audit committee as appropriate
10. Review and discuss with management about the company's key risks, including following up and controlling the management to proceed in accordance with the company's risk management policy.
11. Review regulations and the previous year's performance at least once a year.

### **Nomination and Remuneration Committee**

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

In the year 2022, the Nomination and Remuneration Committee held 2 meeting or 100%. Details are as follow:

<b>Name</b>	<b>Position</b>	<b>The Meeting of the Committee</b>
Mr.Chai Jroonthanapibarn	Chairman of NRC / Independent Director	2/2
Mr.Paiboon Kujareevanich	Member of NRC / Independent Director	2/2
Mr.Siriwat Vongjarukorn	Member of NRC / Director	2/2

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

### **Scope of Authority and Responsibilities of the Nomination and Remuneration Committee**

#### **Regarding the nomination and selection of directors**

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

#### **Regarding remuneration**

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

**Risk Management Committee**

Risk Management Committee (RMC) was appointed from the Board of Director Meeting No.5/2022 held on 11 November 2022. Consists of 4 directors are as follow;

Name	Position
Mr.Paiboon Kujareevanich	Chairman of RMC & Independent Director
Mrs.Tosaporn Angsuwarangsi	Member Of RMC
Mr.Surasak Wongkiatthavorn	Member Of RMC
Mr.Kittisak Sopchokechai	Member Of RMC

**Scope of Authority and Responsibilities of the**

1. To consider and review policies, guidelines, and risk management frameworks and propose to the Board of Directors for approval.
2. To supervise the implementation of the policy and risk management framework on an ongoing basis to ensure that the Company Group has an efficient risk management system and to continuously reduce risks.
3. To review risk management reports to monitor significant risks and take actions to ensure that the Company Group has adequate and appropriate risk management.
4. To coordinate with the Audit Committee on significant risks to ensure that the Company Group has appropriate internal controls to manage the risks, including the implementation of appropriate risk management systems and compliance throughout the organization.
5. To report to the Board of Directors on risks and consistently manage significant risks.
6. To provide advice and consultation to agencies and/or working groups related to risk management, including considering appropriate ways to correct various information related to the development of risk management systems.
7. To consider and appoint a working group related to risk management as appropriate, including determining roles, duties, and responsibilities for the benefit of pursuing objectives.
8. To disclose the report of the Risk Management Committee in the Company's annual report.
9. To consider and review this charter to keep it appropriate and up-to-date.
10. To perform other tasks related to risk management as may be assigned by the Board of Directors.

In this regard, the Risk Management Committee shall have the authority to request various departments of the Company Group, risk management working group, internal auditor or auditor, report or present relevant information and documents to the Risk Management Committee to support the work of the Risk Management Committee to achieve its assigned duties.

### Executives Committee

The Executive Committee of the Company consisted of 4 persons. In the year 2022, the Executives Committee held 7 meetings. There were directors attending the meeting, accounted for 100% of all meetings. Details are as follow;

Name	Position	Executives Committee Meeting (Time)
Mr.Verawat Ongvasith	Chairman of Executives Committee / Chief Executive Officer	4/4
Mrs.Tosaporn Angsuwarangsi	Executives Director	4/4
Mrs.Napasorn Soonthornmanokul	Executives Director	4/4
Mr.Surasak Wongkiatthavorn	Executives Director	4/4

### Authorities and Duties of Chief Executives Officer

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

### Scope of Authority and Responsibilities of the Executive Committee

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

- needed and beyond the specified limit and / or the relevant laws and regulations or the company's regulations; assign to the shareholders' meeting and / or the Board of Directors to consider and approve.
8. Consider and approve financial transactions with financial institutions for opening accounts, borrowing loans, pledge mortgages, guarantees and others, including the purchase and registration of any land ownership according to the objectives for the benefit of the company's business as well as entering legal acts, contracts, submitting requests for proposals and making legal contact with government in order to obtain the rights of the company and / or any actions related to such matters until the completion of the specified limit and / or the relevant laws and regulations or company regulations.
  9. Consider and approve orders, regulations, management policies and business operations or any operations which are binding the company.
  10. Define organizational structure and executive power
  11. Appoint and / or assign executive directors, one or many directors or any person or any act that is within the scope of the Executive Committee or may authorize the said person to have power as the Executive Committee deems appropriate and within as the Executive Board deems appropriate. The Executive Committee may cancel, withdraw or amend the authorized persons or such power as it deems appropriate. There will be no authorization given to persons who may have conflicts of interest in the operation.
  12. Direct the executives, managers, or employees to attend the board meeting or prepare and provide information relating to matters to be discussed in the Executive Committee meeting.
  13. Command any authority and responsibility as may be assigned or according to the policies assigned by the Board of Directors from time to time.
  14. Procurement of consultants or those with independent opinions to provide opinions or recommendations as necessary.
  15. Report to the Board of Directors of the activities within the scope, authority and duties of the Executive Committee on a regular basis, including any other matters that are necessary and appropriate to be submitted to the Board of Directors for acknowledgment.
  16. Consider and approve operation manual and the scope of responsibility of the management for the various operations follow the systematic procedures
  17. Consider and approve the normal business operations of the company according to the investment budget or budget approved by the board of directors. The limit for each transaction is specified in the approval of authority table which has been approved by the Board of Directors, which is not more than the annual budget approved by the board of directors, including entering various contracts related to the said matter.

#### Non-Executives Directors

The Non-Executive Committee of the Company consisted of 6 persons. In the year 2022, the Committee held 1 meeting. There were directors attending the meeting, accounted for 100% of all meetings. Details are as follow;

Name	Position	Non-Executive Directors Meeting
Mr.Chai Jroongthanaphibarn	Chairman / Independent Director	1 / 1
Mr.Paiboon Kujareevanich	Independent Director	1 / 1
Assoc.Prof.Siriporn Maneepan	Independent Director	1 / 1
Mr.Trairak Tengtrairat	Independent Director	1 / 1
Mr.Kittisak Shochokchai	Director	1 / 1
Mr.Siriwat Vongjarukorn	Director	1 / 1

## Executives

As of 31 December 2022, The Company has 5 Executives, namely are as follows;

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

## Company Secretary

The Board of Directors approved Mr.Varut Tantiphipop as a Corporate Secretary since 16 October 2020. To perform the duties and responsibilities as follows:

1. To provide preliminary information and advices to the Board and executives in regard to the compliance with business-related laws, regulations, and company's rules and ensure the concise and effective compliance, as well as report the change of the laws that might have significant impacts on the Board and executives.
2. To follow and oversee the disclosure of report and information regarding practices, announcements, and regulations of The Stock Exchange of Thailand, Securities and Exchange Commission, and Capital Market Supervisory Board.
3. To conclude the report of the Securities Holding and the change of Securities Holding of Directors, Managers, Executives and their spouses/partners, underage offspring or adopted child, the Juristic Persons that Directors, Managers, Executives and their spouses/partners and the minors which their holdings are over 30% of the total vote of that the Juristic Persons in the Board meeting that is head every 6 months.
4. To follow and oversee the shareholders' meetings and the Board of Directors' Meeting to be align with the laws and company's rules and practice, as well as follow the implementation of the agreement in shareholders' meeting and in the Board of Directors' Meeting.
5. To Prepare and maintain important documents as follows;
  - a. A register of directors
  - b. A register of shareholders
  - c. Notice of the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting and sub-committee meeting
  - d. Notice of the shareholders' meeting and minutes of the shareholders' meeting
  - e. Company's annual report
6. To keep the conflict-of-interest report and the Certificate of Independent authorized by the Board or executives.
7. To create knowledge and understanding about the guidelines and drive the effective management of the company.
8. Oversee the activities of the Board of Directors and any other procedure to be align with the laws and/or the announcement of Capital Market Supervisory Board and/or as being assigned by the Board of Directors.

## Remuneration of Directors and Executives

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

### Monetary Remuneration

The 2022 Annual General Meeting of Shareholders on 27 April 2022 approved the annual rate of remuneration for directors of year 2022, which specified the directors and sub-committees shall receive the remuneration within Baht 3 million. The details are as follows;

Positions	Remuneration (Baht per Year)		
	2020	2021	2022
Chairman of the Board of Director	420,000	420,000	420,000
Director	210,000	210,000	210,000
Chairman of the Audit Committee	150,000	150,000	150,000
Member of the Audit Committee	90,000	90,000	90,000
Other Sub Committee	-None-	-None-	-None-

The details of the remuneration for each director in the year 2022 are as follows:

Name of Directors	Positions	2021 (THB)	2022 (THB)
1. Mr.Chai Jroongthanapibarn	Chairman / Independent Director	420,000	420,000
2. Mr.Verawat Ongvasith	Vice Chairman	210,000	210,000
3. Mr.Paiboon Kujareevanich	Chairman of AC / Independent Director	360,000	360,000
4. Assoc.Prof.Siriporn Maneepan	Audit Committee / Independent Director	300,000	300,000
5. Mr.Trairak Tengtrairat	Audit Committee / Independent Director	300,000	300,000
6. Mrs.Tosaporn Angsuwarangsi	Director	210,000	210,000
7. Mrs.Napasorn Soonthommanokul	Director	210,000	210,000
8. Mr.Surasak Wongkiatthavorn	Director	210,000	210,000
9. Mr.Kittisak Sopchokchai	Director	210,000	210,000
10. Mr.Siriwat Vongjarukorn	Director	210,000	210,000
<b>Total</b>		<b>2,640,000</b>	<b>2,640,000</b>

### Remuneration of Executives

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

In 2022, the Company paid remuneration for executives comprising of salary, bonus, provident fund, and social security worth totaling Baht 16.59 million

Remuneration	2020		2021		2022	
	Persons	THB	Persons	THB	Persons	THB
Executives	5	16,660,781	5	12,318,545	5	16,586,444

#### Other Remuneration

The Board and executives have been provided the appropriate benefits following the company's Board executives, and employee benefit regulation approved by the shareholders in 2020. The benefit of food expenses and room expenses for the hotels business of the company and sub-companies which The Board and executives have been received worth totaling Bath 0.49 million.

#### The succession plans

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

#### Holding the position of the President in another company

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

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

### Personnel and Employee

The Company and subsidiaries have employees (exclude the Executives) as of 31 December 2022, thus;

#### Categorized by work department as follows:

Departments	Employees
Hotels Operation	750
Food & Beverage Operation	102
Real Estate and Business	8
Business Support (Headquarters)	64
<b>Total</b>	<b>924</b>

The ratio of employees by gender is as follows:

gender	No. of employees	%
male	408	44.16
female	516	55.84
<b>Total</b>	<b>924</b>	<b>100.00</b>

The ratio of employees by age is as follows:

By age	No. of employees	%
20 – 30 years old	330	35.71
31 – 50 years old	414	44.81
More than 51 years old	180	19.48
<b>Total</b>	<b>924</b>	<b>100.00</b>

#### Rules on Consideration of Remuneration for employees of the Company

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

##### Consideration of Short-Term Remuneration:

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

##### Consideration of Long-Term Remuneration:

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

In the year 2021 and 2022, the Company and subsidiaries have provided the remuneration to the employee in forms of salary, overtime pay, addition expenses support, bonus, and other remuneration including provident fund, social security, food expense, work uniforms, and others. Details are as follows;

Remuneration	2021		2022	
	employees	amount (MB)	employees	amount (MB)
Employee	863	246	924	380

## The Audit Fee

The Company had proposed to appoint KPMG Phoomchai Audit Ltd. to be the independent auditor of the Company and its subsidiaries for 2022 by considering independence, qualifications, background, the performance of duties, and the efficiency of the auditor's audit; and that they were reliable and had no relationship and/or interests with the Company, subsidiaries, directors, executives, major shareholders, or related persons.

### Comparing of Audit Fee

<b>Audit Fee</b>	<b>2021 (KPMG)</b>	<b>2022 (KPMG)</b>
Yearly Audit Fee	2,320,000	2,320,000
Quarterly Reviewed Financial Statements	900,000	900,000
<b>Total</b>	<b>3,220,000</b>	<b>3,220,000</b>

Auditor's fee for the company and its subsidiaries in 2022, a total of 9 companies, was 3,220,000 Baht in total, comprising quarterly and annual audit fees. And Out of Pocket Expenses was 0.07 million Baht

## The Company's Human Resources Development Policy

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

### 1. Executive development

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

### 2. Personnel Management

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

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

### 3. Human Resource Development

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

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

In 2022, employees of the Company had training in skills and knowledge to be used in the operation as follows:

No.	Branches / Sub-Company	number of courses	Number of employees to attending	Number of Hrs. Total
1	Head Office	32	29	195
2	Veranda Huahin - Cha Am	5	147	62
3	Veranda Chiang Mai	9	336	93
4	SO/Bangkok	210	978	244
5	Veranda Pattaya	10	388	122
6	Rocky Samui	12	141	38
7	Verso Huahin	3	37	24
8	PDS (Food&Beverage)	28	465	162
<b>Total</b>		<b>309</b>	<b>2521</b>	<b>940</b>

#### 4. Talent Workforce and Succession Planning

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

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

### **Supervision of safety, occupational health, and working environment**

The Company is committed and gives great importance to taking care of employees in terms of health, safety, and environment in the workplace by requiring all units to comply with safety, occupational health, and environmental standards.

Under Ministerial regulations, hotels are required to provide training on occupational health and safety for employees in the workplace. Therefore, every hotel has arranged for relevant staff to complete training on two topics as follows:

- (1) Occupational safety officer course for supervisors
- (2) Occupational safety officer course for executives

The statistics on safety and accident of the Company in 2022 are as follows:

<b>Occupational Injuries Statistics</b>	<b>2021</b>	<b>2022</b>
Number of injuries or accidents leading to absence from work (times)	10	5
Number of injured employees who have to leave work for more than one day (person)	3	3
Number of employees who died from work (person)	-	-

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

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

### Investment Policy in Subsidiaries and Associated Companies

The Company has the policy to invest in companies that are in line with the Goals, Vision, and strategic plan for the Company's growth to increase operating results or profits for the Company; or to invest in businesses that provide benefits (Synergy) to the Company to increase the competitiveness of the Company and for the Company to achieve the goal of being a leading entrepreneur in the Company's core business. The Company, its subsidiaries, and/or associated companies may consider investing in other businesses if it is a business that has growth potential, be able to expand the business, or is beneficial to the business of the Company Group, which can generate a good return on investment. For the consideration of the investments of the Company, its subsidiaries, and/or associated companies, the Company will analyze the feasibility, potentiality, and risk factors of the investment with proper investment analysis procedures, which must be endorsed, and/or approved by the Board of Directors' meeting or the shareholders' meeting of the Company (as the case may be). However, the request for investment approval of such subsidiaries and/or associated companies must be in accordance with the relevant Notification.

### Operational Governance Policy in Subsidiaries and Associated Companies

The Company has established a policy to supervise and manage the business of its subsidiaries and associated companies with the objectives of determining direct and indirect measures and mechanisms for the Company to be able to supervise and manage the business of subsidiaries and associated companies. The policy also includes monitoring to ensure that subsidiaries and associated companies are in compliance with various measures and mechanisms as if they are the Company's own units, and in accordance with the Company's policy, Public Limited Companies Act, Civil and Commercial Law, The Securities and Exchange Act, and related laws as well as notifications, rules and regulations related to the Capital Market Supervisory Board of the Securities and Exchange Commission and the Stock Exchange of Thailand. In this regard, to maintain the benefit of the Company's investment in such subsidiaries and associated companies, the details are as follows:

- 1) The Company will send a person to be a representative of the Company to become a director in each subsidiary and/or an associated company according to the shareholding proportion in each company to supervise subsidiary and/or associated company to operate under the law, Good Corporate Governance Policy, and other policies of the Company. However, the representative of the Company to be a director in each subsidiary and/or associated company must be considered and approved by the Board of Directors' meeting and taking into account the suitability of each company.
- 2) In case of entry into transactions or any action of subsidiaries that are considered or are the acquisition or disposal of assets according to the notifications of the acquisition or disposal of assets, or related party transactions according to the notifications of related parties transaction that will result in the Company's responsibility to seek for an approval from the Company's Board of Directors' meeting and/or the shareholders' meeting or from relevant legal authorities before entering into the transaction, subsidiaries will be able to enter into the transaction or proceed only after they have already been approved by the Company's Board of Directors and/or the shareholders' meeting, and/or related agencies (as the case may be).

In addition, if the entry into transactions or the occurrence of certain events of the subsidiaries will result in the Company's responsibility to disclose information to the Stock Exchange of Thailand in accordance with the prescribed rules and relevant notifications of the Board of Governors of the Stock Exchange of Thailand, the representative directors of the said subsidiaries are obliged to notify the Company's management as soon as they are known that the subsidiaries plan to enter into the transaction or such event occurs.

- 3) The board of directors and executives of each subsidiary and/or associated company will have a significant scope of powers, duties, and responsibilities in accordance with relevant laws, such as disclosing information about the financial status and operating results to the Company by applying, mutatis mutandis, the relevant notifications of the Capital Market Supervisory Board, and the Notifications of the Board of Governors of the Stock Exchange of Thailand. This also includes disclosing and submitting information of interests of oneself and related persons to the Board of Directors for their acknowledgment of the relationship and transactions with the Company, subsidiaries, and/or associated companies in a manner that may cause conflicts of interest and avoid transactions that may cause conflicts of interest.
- 4) The Company will formulate plans and take necessary actions to ensure that its subsidiaries and/or associated companies have disclosed information about their operating results and financial position. The Company will take necessary actions and follow up to ensure that subsidiaries and/or associated companies have adequate and appropriate information disclosure systems and internal control systems for business operations. In addition, the Company will closely monitor the operating results and operations of such subsidiaries and/or associated companies, present the analysis results, and express opinions or recommendations to the Board of Directors and the Board of Directors of subsidiaries or associated companies to be used in consideration of policy-making or improvements to promote continuous development and growth of the subsidiaries' and/or associated companies' businesses



## Internal Control

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

The company employs Wynn Alliance Ltd whose internal auditing team leader is Mrs. Wimonlak Phanrattanapong an experienced, versatile internal auditor, to inspect company internal controls. She will assist the audit committee to investigate, evaluate the internal control system and overall risks, to write a formal report and to give suggestions from her findings.

The Board of Directors had assessed the internal control system of the Company by asking for information from the management, reviewed and evaluated the sufficiency of the internal control system by referring to the "Internal Control System Sufficiency Evaluation Form" of the Securities and Exchange Commission and had concluded that the Company had adequate internal control covering various aspects. The summary was as following:

### 1. Organizational and Environmental Controls

- The company requires positive internal control environment. The company's board sets operational business goal clearly and cooperates with management team to plan operational activities of the company and its subsidiaries. Previous organization's operations and goals are reviewed. So are the economic status and risk factors. Vision, strategies, budget planning are also implemented to comply with objectives laid out.
- The company sets an organization chart due to management efficiency, well organized internal controls, and appropriate levels of authorities.
- The company declares codes of ethics in organization's operation to all employees. Honesty and morality shall be in sphere of working. Penalty is applied to violations against ethical requirements. Moreover, the company launches a policy of good governance to create fairness to whom it may concern.

### 2. Risk Management Control

The company lays out risk management process to control and reduce risks which may occur from internal and external factors by appointing a risk management committee are; 4 members of Directors and One of member is an Independent Director and Risk Management team consisting of chief executives of each department. They are tasked to manage risks at reasonable levels and to determine suitability for current situation. Regular meetings are held in order to collect, analyze, evaluate risks of organization's operations. Effective measures shall be executed to reduce such risks together with the satisfactory follow-up of those measures.

### 3. Management Performance Control

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

#### **4. Information System and Communication Control**

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

#### **5. Tracking System Control**

The audit committee is tasked to monitor and evaluate the internal controls. The internal auditor is to review and evaluate performance with respect to annual audit plan approved by the audit committee. The audit committee meets chief executives, internal auditors, external auditors concerning internal controls every quarter to hear errors in marking and remedy to overcome in appropriate time. In the year 2022 according to the formal report from the auditor, the company and its subsidiaries had efficient internal controls; no major risks were uncovered.

**INTERCOMPANY TRANSACTIONS**
**Intercompany transactions with related entities in the year of 2022**

Individual/Juristic Person that may have conflicts	Association	Type	Year 2022 (MB)	Validity of related transactions
VC Land Co., Ltd.	Directors/Executives/Major shareholders who are directors/Major shareholders in the company	Rental fee of building space	1.40	The average rental rate is 396 baht per square meter. The rental rate is comparable to the office rental rate in nearby areas.
Mrs. Napasorn Soonthornmanokul	Director/Executive/Shareholder	Sale of long-term debentures	10.00	Par price on the date of issuance
Mrs. Pentipa Ongvasith	Directors of subsidiaries/Shareholders	Sale of long-term debentures	4.00	Par price on the date of issuance
Mr. Paiboon Kujareevanich	Independent Director/Chairperson of Audit Committee	Sale of long-term debentures	3.00	Par price on the date of issuance

## The Audit Committee Report

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

In 2022, the Audit Committee has held a total of 4 meetings. Each meeting was a meeting with the Company's management staff, internal auditors, and auditors (except for the 1<sup>st</sup> meeting that it was a meeting with the auditors without the presence of the Company's management) the meeting of each member of the Audit Committee can be summarized as follows:

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

The Audit Committee has performed its duties and independently shared opinions within the scope of duties and responsibilities according to the Audit Committee Charter. and the contents may be summarized as follows:

- Financial Report:** The Audit Committee reviewed the quarterly and 2022 financial statements of the Company and its subsidiaries to ensure that the Company had accurate and reliable financial reporting. The Audit Committee provided opinions that such financial statements were prepared in accordance with the Thai Financial Reporting Standards (TFRS) with correct and sufficient disclosure of information, consistent with the auditor's opinion.
- Connected Transactions or Transactions which might give rise to conflicts of interest:** The Audit Committee reviewed the disclosure of intercompany transactions with the companies or related people to ensure that the Company operated its business with reasonableness and normal trade practices for the best interest of the Company. The Audit Committee provided opinions that such connected transactions were disclosed correctly and completely with normal business conditions in accordance with regulations set by the Stock Exchange of Thailand.
- Internal Control System:** The Audit Committee reviewed the adequacy and appropriateness of the Company's internal control system from the report of the internal auditors together with the management every quarter, including follow-up on the outcome of the auditor's review of the Company's internal control and information systems to ensure that the operations of the Company had an adequate internal control system and did not have any significant deficiencies.
- Legal Compliance:** The Audit Committee reviewed the Company's operations to comply with the law on securities and exchange, Regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, and other laws relating to the Company's business. The Audit Committee provided opinions that no significant issues had been found in the areas of non-compliance with relevant laws and regulations.
- Consideration for Selection and Nomination of the Auditor and Determination of Remuneration for the Auditor:** The Audit Committee considered the selection and nomination of the auditor by taking into account the auditor's reliability, independence, knowledge, experience and reasonableness of the auditing fee. The Audit Committee proposed the Board of Directors to appoint KPMG Phoomchai Audit Limited as the Company's auditor for 2022.

6. **Risk Management:** The Audit Committee reviewed the adequacy and appropriateness of the risk management from the internal auditor's report and the report of the Risk Management Committee. The Risk Management Committee was responsible for risk assessment, risk probability and impact on business operations, along with finding ways to prevent risks to reduce the potential impacts to an acceptable level. The Audit Committee provided opinions that the Company had a risk management system that was suitable and sufficient for its business conditions and regularly adjusted to suit the current situation.

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



(Mr.Paiboon/ Kujareevanich)

Audit Committee Chairman

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

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

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

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



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



(Mr. Verawat Ongwasith)  
Chief Executive Officer

## Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee (The Nomination Committee) had been assigned to perform duties and responsibilities in accordance with the charter set by the Board of Directors. Such important duties and responsibilities included setting up policies and criteria for the selection of directors; selection of candidates who were qualified according to the relevant laws, regulations, rules, and procedures to propose to the Board of Directors for consideration of appointment of directors; establishment of compensation policies and criteria to propose to the Board of Directors' meeting, reporting the performance of the Nomination Committee to the Board of Directors' meeting; and reporting the annual report and registration statements to the shareholders. In 2022, the Nomination and Remuneration Committee, consisted of three Directors, with two meetings of the Nomination and Remuneration Committee had considered the following matters:

### 1. Selection of Directors

The Nomination Committee had considered recruiting people from a wide variety of professions who were qualified with relevant laws and regulations, such as Law on Director's Qualifications, Public Company Law, Rules and Regulations of the Securities and Exchange Commission and etc. In addition, names and qualifications of suitable candidates to serve as directors are also considered in accordance with the company's business strategies; and according to the structure of directors, who must have knowledge in various areas, professional skills, specifications, gender and etc. The Committee also offered the opportunity for minority shareholders to nominate candidates to be elected as the company's Board of Directors. The nominations were open from 10 November 2022 to 31 December 2022 and the Nomination Committee had performed as follows:

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

### 2. Consideration of the Remuneration of the Board of Directors

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

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

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



(Mr. Chai Jroongtanapibarn)

Chairman of the Nomination and Remuneration Committee

**Veranda Resort Public Company Limited  
and its Subsidiaries**

Financial statements for the year ended  
31 December 2022  
and  
Independent Auditor's Report



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## Independent Auditor's Report

### To the Shareholders of Veranda Resort Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Veranda Resort Public Company Limited and its subsidiaries (the "Group") and of Veranda Resort Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate 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. *View*



*Key Audit Matters*

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

Valuation of Property, plant and equipment and investment in subsidiaries	
Refer to Notes 3(m) 9 and 11 to the consolidated and separate financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>To respond to the Group and the Company's growth strategy, the Group and the Company have expanded their activities through hotel development and restaurants by investing in property plant and equipment and investment in subsidiaries. Certain hotels and restaurants have not operated in line with initial expectations. These factors are considered as impairment indicator.</p> <p>In the impairment testing, the recoverable amount has been determined by discounted future cash flows for which require management to make judgements on key assumptions. Overall, due to the involvement of high level of judgement, this is key judgmental areas that my audit is concentrated on.</p>	<p>My audit procedures included:</p> <p>Understanding and assessing management's procedures for identify potential impairment, process of impairment testing and determining the recoverable amount.</p> <p>In respect of each hotel and restaurant for which an impairment indicator exists, I obtained the discounted future cash flows, inquired management, tested calculation and evaluated the appropriateness of key assumptions by comparing them against historical data, budget plan of the Group and the Company and external data in the same industry.</p> <p>I have also considered the adequacy of disclosures according to Thai Financial Reporting Standards.</p>

*Other Information*

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made. *✓*



### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

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

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

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

### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

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

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

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



- 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, actions taken to eliminate threats or safeguards applied.

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

Vilain V.

(Vilaiwan Pholprasert)  
Certified Public Accountant  
Registration No. 8420

KPMG Phoomchai Audit Ltd.  
Bangkok  
24 February 2023

## Veranda Resort Public Company Limited and its subsidiaries

### Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents	6	234,297,990	85,737,345	187,696,135	40,439,151
Trade and other receivables	5, 7	52,741,888	42,683,581	41,110,911	29,864,205
Inventories		19,872,334	18,875,952	5,135,019	4,845,398
Real estate development for sale	8, 14	465,024,320	570,992,711	431,619,862	558,701,233
Advance payment for construction real estate development for sale		10,997,753	-	10,339,158	-
Cost to obtain contracts	17	3,154,094	6,218,586	2,805,274	6,091,583
Other current financial assets	22	21,717,173	30,466,347	20,166,529	29,999,547
Other current assets		12,245,169	15,290,284	6,690,865	1,167,270
<b>Total current assets</b>		<b>820,050,721</b>	<b>770,264,806</b>	<b>705,563,753</b>	<b>671,108,387</b>
<b>Non-current assets</b>					
Restricted deposit at financial institution		260,000	260,000	60,000	60,000
Other non-current financial assets		4,850,220	5,815,204	2,500,200	2,416,860
Investments in subsidiaries	9	-	-	1,929,278,982	1,929,278,982
Long-term loans to related parties	5	-	-	102,300,000	162,990,000
Investment property	10, 14	12,500,000	12,500,000	12,500,000	12,500,000
Property, plant and equipment	11, 14	3,366,171,215	3,493,797,498	1,258,733,006	1,279,436,964
Right-of-use assets	11, 14	262,577,757	280,066,207	29,358,773	32,876,928
Goodwill	12	50,069,483	50,069,483	-	-
Intangible assets	13	82,212,688	88,340,831	4,882,003	5,545,567
Advance payment for construction property, plant and equipment		52,757,345	-	52,757,345	-
Deferred tax assets	19	80,336,422	81,159,616	3,677,336	4,903,823
Other non-current assets		8,916,949	13,159,335	515,607	7,241,319
<b>Total non-current assets</b>		<b>3,920,652,079</b>	<b>4,025,168,174</b>	<b>3,396,563,252</b>	<b>3,437,250,443</b>
<b>Total assets</b>		<b>4,740,702,800</b>	<b>4,795,432,980</b>	<b>4,102,127,005</b>	<b>4,108,358,830</b>

The accompanying notes form an integral part of the interim financial statements.

## Veranda Resort Public Company Limited and its subsidiaries

### Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	14	120,309,224	602,189,475	105,309,224	552,188,814
Trade and other payables	5	196,330,096	184,912,502	89,037,683	120,619,115
Current portion of long-term borrowings					
from financial institutions	14	240,130,808	588,510,924	153,608,633	131,129,137
Current portion of leases liabilities	14	30,424,115	24,784,557	9,985,825	8,703,985
Short-term borrowings from related parties	5, 14	-	-	40,500,000	1,000,000
Income tax payable		-	3,699,194	-	3,699,194
Advance received from customers	17	109,978,337	172,184,954	71,353,194	130,817,889
Other current financial liabilities	22	1,669,003	-	-	-
Other current liabilities		12,639,429	6,533,556	5,268,705	4,482,216
<b>Total current liabilities</b>		<b>711,481,012</b>	<b>1,582,815,162</b>	<b>475,063,264</b>	<b>952,640,350</b>
<b>Non-current liabilities</b>					
Long-term borrowings from					
financial institutions	14	1,521,078,964	983,204,261	618,206,660	444,805,836
Lease liabilities	14	191,386,451	205,618,382	19,786,793	25,684,787
Debentures	5, 14	296,397,465	-	296,397,465	-
Deferred tax liabilities	19	48,892,485	51,114,067	-	-
Non-current provisions for employee benefits	15	20,622,266	18,978,085	13,646,676	12,193,193
Other non-current provisions	24	5,473,606	4,904,752	5,473,606	4,904,752
Other non-current financial liabilities	22	4,000,000	5,669,003	-	-
Other non-current liabilities		10,230,037	13,100,991	1,433,980	4,473,989
<b>Total non-current liabilities</b>		<b>2,098,081,274</b>	<b>1,282,589,541</b>	<b>954,945,180</b>	<b>492,062,557</b>
<b>Total liabilities</b>		<b>2,809,562,286</b>	<b>2,865,404,703</b>	<b>1,430,008,444</b>	<b>1,444,702,907</b>

The accompanying notes form an integral part of the interim financial statements.

## Veranda Resort Public Company Limited and its subsidiaries

### Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	31 December		31 December	
Liabilities and equity	2022	2021	2022	2021
	<i>(in Baht)</i>			
<b>Equity</b>				
Share capital				
Authorised share capital <i>(350,000,000 ordinary shares, par value at Baht 5 per share)</i>	<u>1,750,000,000</u>	<u>1,750,000,000</u>	<u>1,750,000,000</u>	<u>1,750,000,000</u>
Issued and paid-up share capital <i>(319,681,672 ordinary shares, par value at Baht 5 per share)</i>	1,598,408,360	1,598,408,360	1,598,408,360	1,598,408,360
Shares premium on ordinary shares	819,968,299	819,968,299	819,968,299	819,968,299
Share discount on business combination under common control	(120,629,995)	(120,629,995)	-	-
Share discount from change in shareholding in subsidiaries	(471,467,670)	(471,467,670)	-	-
Retained earnings				
Appropriated				
Legal reserve	16 23,610,000	23,180,000	23,610,000	23,180,000
Unappropriated	<u>81,251,520</u>	<u>80,569,283</u>	<u>230,131,902</u>	<u>222,099,264</u>
<b>Total equity</b>	<u><b>1,931,140,514</b></u>	<u><b>1,930,028,277</b></u>	<u><b>2,672,118,561</b></u>	<u><b>2,663,655,923</b></u>
<b>Total liabilities and equity</b>	<u><b>4,740,702,800</b></u>	<u><b>4,795,432,980</b></u>	<u><b>4,102,127,005</b></u>	<u><b>4,108,358,830</b></u>

The accompanying notes form an integral part of the interim financial statements.

## Veranda Resort Public Company Limited and its subsidiaries

### Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
<b>Revenue</b>					
Revenue from hotel operations	17	954,542,463	395,038,226	282,614,602	182,027,000
Revenue from management service	5, 17	28,022,446	15,791,388	34,369,257	21,898,673
Revenue from sales of real estate	5, 17	221,894,979	756,439,997	209,889,245	742,340,538
Revenue from sales of food and beverage	17	116,490,964	103,171,389	7,745,444	7,070,035
Other income	5, 17	44,868,768	37,031,467	33,803,724	21,581,955
<b>Total revenue</b>		<b>1,365,819,620</b>	<b>1,307,472,467</b>	<b>568,422,272</b>	<b>974,918,201</b>
<b>Expenses</b>					
Costs of hotel operations		639,546,150	433,732,056	180,430,892	146,127,301
Costs of management service		15,348,851	9,065,856	4,365,113	2,120,471
Costs of sales of real estate	8	169,157,876	548,426,595	160,131,565	534,779,425
Costs of sales of food and beverage	5	102,393,492	87,912,206	4,921,900	4,771,121
Selling expenses	5, 17	157,162,830	132,345,569	72,627,564	88,369,871
Administrative expenses	5, 17	210,643,071	160,245,783	106,661,692	96,531,860
<b>Total expenses</b>		<b>1,294,252,270</b>	<b>1,371,728,065</b>	<b>529,138,726</b>	<b>872,700,049</b>
<b>Profit (loss) from operating activities</b>		<b>71,567,350</b>	<b>(64,255,598)</b>	<b>39,283,546</b>	<b>102,218,152</b>
Finance costs	5, 17	(71,333,962)	(74,746,094)	(29,074,883)	(32,856,208)
<b>Profit (loss) before income tax expense</b>		<b>233,388</b>	<b>(139,001,692)</b>	<b>10,208,663</b>	<b>69,361,944</b>
Tax income (expense)	17, 19	878,849	31,752,310	(1,746,025)	(13,602,851)
<b>Profit (loss) for the year</b>		<b>1,112,237</b>	<b>(107,249,382)</b>	<b>8,462,638</b>	<b>55,759,093</b>
<b>Total comprehensive income (expense) for the year</b>		<b>1,112,237</b>	<b>(107,249,382)</b>	<b>8,462,638</b>	<b>55,759,093</b>
<b>Profit (loss) attributable to:</b>					
Owners of parent		<b>1,112,237</b>	<b>(107,249,382)</b>	<b>8,462,638</b>	<b>55,759,093</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of parent		<b>1,112,237</b>	<b>(107,249,382)</b>	<b>8,462,638</b>	<b>55,759,093</b>
<b>Basic earnings (loss) per share (in Baht)</b>	20	<b>0.003</b>	<b>(0.335)</b>	<b>0.026</b>	<b>0.174</b>

The accompanying notes form an integral part of the interim financial statements.

**Veranda Resort Public Company Limited and its subsidiaries**

**Statement of changes in equity**

	Note	Consolidated financial statements					Total equity
		Issued and paid-up share capital	Share discount on business combination under common control	Share discount from change in shareholding in subsidiaries (in Baht)	Retained earnings	Unappropriated	
<b>Year ended 31 December 2021</b>							
<b>Balance at 1 January 2021</b>		1,598,408,360	(120,629,995)	(471,467,670)	20,380,000	222,586,832	2,069,245,826
<b>Transactions with owners, recorded directly in equity</b>							
<i>Distributions to owners</i>							
Dividends	21	-	-	-	-	(31,968,167)	(31,968,167)
<i>Total distributions to owners</i>		-	-	-	-	(31,968,167)	(31,968,167)
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	-	(31,968,167)	(31,968,167)
<b>Comprehensive expense for the year</b>							
Loss for the year		-	-	-	-	(107,249,382)	(107,249,382)
<b>Total comprehensive expense for the year</b>		-	-	-	-	(107,249,382)	(107,249,382)
Transfer to legal reserve	16	-	-	-	2,800,000	(2,800,000)	-
<b>Balance at 31 December 2021</b>		<b>1,598,408,360</b>	<b>(120,629,995)</b>	<b>(471,467,670)</b>	<b>23,180,000</b>	<b>80,569,283</b>	<b>1,930,028,277</b>

The accompanying notes form an integral part of the interim financial statements.



**Veranda Resort Public Company Limited and its subsidiaries**  
**Statement of changes in equity**

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Total equity
				Legal reserve <i>(in Baht)</i>	Unappropriated	
<b>Year ended 31 December 2021</b>						
<b>Balance at 1 January 2021</b>		<b>1,598,408,360</b>	<b>819,968,299</b>	<b>20,380,000</b>	<b>201,108,338</b>	<b>2,639,864,997</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Distributions to owners</i>						
Dividends	21	-	-	-	(31,968,167)	(31,968,167)
<i>Total distributions to owners</i>		-	-	-	(31,968,167)	(31,968,167)
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	(31,968,167)	(31,968,167)
<b>Comprehensive income for the year</b>						
Profit for the year		-	-	-	55,759,093	55,759,093
<b>Total comprehensive income for the year</b>		-	-	-	<b>55,759,093</b>	<b>55,759,093</b>
Transfer to legal reserve	16	-	-	2,800,000	(2,800,000)	-
<b>Balance at 31 December 2021</b>		<b>1,598,408,360</b>	<b>819,968,299</b>	<b>23,180,000</b>	<b>222,099,264</b>	<b>2,663,655,923</b>

The accompanying notes form an integral part of the interim financial statements.

**Veranda Resort Public Company Limited and its subsidiaries**  
**Statement of changes in equity**

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Share premium <i>(in Baht)</i>	Retained earnings Legal reserve	Unappropriated	
<b>Year ended 31 December 2022</b>						
Balance at 1 January 2022		1,598,408,360	819,968,299	23,180,000	222,099,264	2,663,655,923
<b>Comprehensive income for the year</b>						
Profit for the year		-	-	-	8,462,638	8,462,638
<b>Total comprehensive income for the year</b>		-	-	-	<b>8,462,638</b>	<b>8,462,638</b>
Transfer to legal reserve	16	-	-	430,000	(430,000)	-
<b>Balance at 31 December 2022</b>		<b>1,598,408,360</b>	<b>819,968,299</b>	<b>23,610,000</b>	<b>230,131,902</b>	<b>2,672,118,561</b>

The accompanying notes form an integral part of the interim financial statements.

**Veranda Resort Public Company Limited and its subsidiaries**  
**Statement of cash flows**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	<i>(in Baht)</i>			
<b>Cash flows from operating activities</b>				
Profit (loss) for the year	1,112,237	(107,249,382)	8,462,638	55,759,093
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax income	(878,849)	(31,752,310)	1,746,025	13,602,851
Finance costs	71,333,962	74,746,094	29,074,883	32,856,208
Depreciation and amortisation	226,965,317	236,194,353	59,023,292	69,004,936
Reversal of allowance for expected credit loss	(9,275)	(31,724)	(9,275)	(31,724)
Bad debt	1,534	111,819	-	-
Reversal of allowance for declining in value of real estate development for sale	(460,543)	(1,727,950)	-	(454,173)
Allowance for impairment loss on property, plant and equipment	2,034,754	-	-	-
Difference from reduction of lease payment	731,531	863,661	-	68,527
Provisions for employee benefits	2,316,150	2,383,260	1,453,483	1,422,346
Gain on change in fair value of financial assets	(94,836)	(127,730)	(94,836)	(127,658)
(Gain) loss on disposal of property, plant and equipment	(1,628,893)	625,076	(1,775,018)	412,004
Loss on write-off property, plant and equipment	1,041,472	3,439,142	220,758	458,803
Gain on sales of financial assets	(72,146)	(5,384)	(72,146)	(11,810)
Loss on non-refundable withholding tax deducted at source	43,231	1,516,137	-	1,351,836
Recognised deferred income to income	-	(8,305,320)	-	-
Interest income	(288,648)	(74,592)	(4,848,345)	(4,833,097)
	<u>302,146,998</u>	<u>170,605,150</u>	<u>93,181,459</u>	<u>169,478,142</u>
<b>Changes in operating assets and liabilities</b>				
Trade and other receivables	(10,050,566)	(10,207,511)	(9,457,570)	(9,289,180)
Inventories	(996,382)	3,979,819	(289,621)	285,646
Real estate development for sale	131,390,454	539,204,526	152,224,108	525,172,346
Advance payment for construction real estate development for sale	(10,997,753)	43,729	(10,339,158)	43,729
Cost to obtain contracts	3,064,492	15,080,477	3,286,309	14,080,878
Other current assets	6,115,386	11,444,457	(2,453,699)	8,458,248
Other current financial assets	(1,083,844)	(466,800)	-	-
Advance payment for construction property, plant and equipment	(52,757,345)	-	(52,757,345)	-
Other non-current financial assets	964,984	(976,688)	(83,340)	(5,072)
Other non-current assets	4,426,962	(3,336,670)	4,865,253	(4,282,416)
Trade and other payables	9,699,539	(65,270,135)	(31,287,962)	(46,912,320)
Advance received from customers	(62,206,617)	(169,621,224)	(59,464,695)	(175,308,528)
Provision for long-term liabilities	568,854	-	568,854	-
Employee benefits paid	(671,970)	(629,208)	-	(105,960)
Other current financial liabilities	1,669,003	-	-	-
Other current liabilities	6,105,872	470,230	786,489	790,095
Other non-current financial liabilities	(1,669,003)	2,053,137	-	-
Other non-current liabilities	(2,870,955)	(1,535,695)	(3,040,009)	(844,888)
Net cash generated from operating	<u>322,848,109</u>	<u>490,837,594</u>	<u>85,739,073</u>	<u>481,560,720</u>
Interest paid	(75,716,470)	(66,061,287)	(40,413,348)	(37,436,618)
Taxes paid	(7,516,809)	(14,353,380)	(5,428,169)	(15,061,119)
<b>Net cash from operating activities</b>	<u><b>239,614,830</b></u>	<u><b>410,422,927</b></u>	<u><b>39,897,556</b></u>	<u><b>429,062,983</b></u>

The accompanying notes form an integral part of the interim financial statements.

**Veranda Resort Public Company Limited and its subsidiaries**

**Statement of cash flows**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
Note	2022	2021	2022	2021
	<i>(in Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Payments for long-term loans to related parties	-	-	(97,200,000)	(185,740,000)
Proceeds from repayment of long-term loans to related parties	-	-	157,890,000	103,500,000
Proceeds from sales of financial assets	50,000,000	60,197,708	50,000,000	60,056,575
Proceeds from distribution to unitholders of financial assets	-	4,689,605	-	4,689,605
Acquisition of financial assets	(40,000,000)	(30,000,000)	(40,000,000)	(30,000,000)
Acquisition of property, plant and equipment	(73,857,747)	(136,215,651)	(45,266,777)	(78,970,439)
Acquisition of right-of-use assets	-	(4,745,411)	-	-
Acquisition of intangible assets	(1,982,757)	(1,651,293)	(528,830)	(2,000,830)
Proceeds from sales of property, plant and equipment	2,377,555	293,105	7,325,781	1,065,623
Interest received	288,648	74,592	3,068,484	2,463,187
<b>Net cash from (used in) investing activities</b>	<b>(63,174,301)</b>	<b>(107,357,345)</b>	<b>35,288,658</b>	<b>(124,936,279)</b>
<b><i>Cash flows from financing activities</i></b>				
Increase (decrease) in bank overdraft and short-term borrowings from financial institutions	(481,880,252)	112,034,890	(446,879,590)	99,034,234
Proceeds from borrowings from related parties	-	-	45,500,000	15,000,000
Repayment of borrowings from related parties	-	-	(6,000,000)	(23,500,000)
Proceeds from long-term borrowings from financial institutions	600,000,000	48,600,000	600,000,000	31,600,000
Repayment of long-term borrowings from financial institutions	(411,292,913)	(392,831,938)	(404,810,821)	(391,548,446)
Payment of lease liabilities	(30,886,719)	(22,995,352)	(11,918,819)	(10,544,647)
Proceeds from issuing debentures	296,180,000	-	296,180,000	-
Dividends paid to owners of the Company	-	(31,968,167)	-	(31,968,167)
<b>Net cash from (used in) financing activities</b>	<b>(27,879,884)</b>	<b>(287,160,567)</b>	<b>72,070,770</b>	<b>(311,927,026)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>148,560,645</b>	<b>15,905,015</b>	<b>147,256,984</b>	<b>(7,800,322)</b>
Cash and cash equivalents at 1 January	85,737,345	69,832,330	40,439,151	48,239,473
<b>Cash and cash equivalents at 31 December</b>	<b>234,297,990</b>	<b>85,737,345</b>	<b>187,696,135</b>	<b>40,439,151</b>
<b><i>Non-cash transactions</i></b>				
Increase (decrease) in other payables from purchase of assets	1,437,172	(24,127,202)	(169,603)	(23,794,770)
Finance cost recorded as property, plant and equipment	10,393,932	10,200,084	10,393,932	10,200,084
Finance cost recorded as real estate development for sale	3,060,737	2,550,021	3,060,737	2,550,021
Transfer real estate development for sale to property, plant and equipment	5,347,054	763,502	-	-
Transfer right-of-use assets to property, plant and equipment	-	471,703	-	252,526
Transfer property, plant and equipment to real estate development for sale	(27,247,837)	(54,425,795)	(22,082,000)	(54,425,795)
Reduction of lease payments from lessors	4,750,401	7,867,623	-	1,570,959
Decrease in right-of-use assets from lease remeasurement and modification	(589,952)	-	(589,952)	-

The accompanying notes form an integral part of the interim financial statements.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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# Veranda Resort Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2023.

### 1 General information

Veranda Resort Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 3 May 2019. The Company’s registered office at

- (a) Head office : 555 Rasa Tower, 27<sup>th</sup> floor, Unit 2701-2704, Phaholyothin Road, Chatuchak Bangkok
- (b) Branch : 737/12 Mung Talay Road, Cha-Am, Cha-Am, Petchaburi
- (c) Branch : 192 Moo 2 Ban Pong, Hang Dong, Chaing Mai
- (d) Branch : 122/211 Nong Kae, Hua Hin , Prachuap Khiri Khan

The Company’s major shareholders during the financial year were Mr.Verawat Ongvasith (26.33% shareholding) and Hangjew Holding Pte. Ltd. (23.43% shareholding) which incorporated in Singapore.

The principal activities of the Company are hotel, real estate development for sale and sale of food and beverages. Details of the Company’s subsidiaries as at 31 December 2022 and 2021 are given in note 9.

### 2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies, described in the note 3, have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### 3 Significant accounting policies

#### (a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

*Business combinations*

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

The Group elect to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is an assets rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill is measured as the fair value of the consideration transferred less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**(b) Investments in subsidiaries**

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

**(c) Financial instruments**

*(c.1) Classification and measurement*

Financial assets and financial liabilities (except trade and other receivables (see note 4(e))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

*(c.2) Derecognition and Offset*

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

*(c.3) Impairment of financial assets other than trade receivables*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when the Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due, significant deterioration that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due.

*(c.4) Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

*(c.5) Interest*

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

**(d) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, call deposits and bank overdrafts that are repayable on demand are a component of financing activities in the statement of cash flows.

**(e) Trade and other receivables**

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

## **Veranda Resort Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2022**

#### **(f) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

#### **(g) Real estate development for sale**

Real estate development for sale is real estate that is held with the intention to sell in the ordinary course of business. This real estate is measured at the lower of cost and net realisable value.

The cost of real estate development for sale comprises the cost of land, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised as part of the cost of the property until the completion of development. Cost of real estate development for sale includes an allocation of common area property development expenditure based on saleable area.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

When real estate development for sale are sold, the cost of that real estate is recognised as an expense in the period in which the related revenue is recognised.

#### **(h) Investment property**

Investment property is consists of land which measured at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

#### **(i) Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

# Veranda Resort Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Land improvement	5 - 20 years
Building and building improvements	5 - 40 years
Tools and equipment	5 - 20 years
Furniture and fixtures	5 - 20 years
Vehicles	5 and 10 years

### (j) *Goodwill*

Goodwill is measured at cost less impairment losses.

### (k) *Intangible assets*

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licenses	5 and 10 years
Trademarks	6 and 25 years
Franchise	3 - 20 years

### (l) *Leases*

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

*As a lessee*

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. However, for leases that received COVID-19 related rent concessions and the Group elected not to assess that the rent concessions are lease modification, the Group recognised the impact of the change in lease liability in profit or loss.

*As a lessor*

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

**(m) Impairment of non-financial assets**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing recoverable amount, 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.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**(n) Employee benefits**

*Defined contribution plan*

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(o) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

**(p) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

**(q) *Revenue from contracts with customers***

*Revenue recognition*

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

Revenue for rendering of services is recognised over time. The related costs are recognised in profit or loss when they are incurred.

*Revenue from hotel operations*

Hotel revenues from room, food and beverages and other services are recognised when the rooms are occupied, food and beverages are sold and the services are rendered.

*Revenue from sale of real estate*

Revenue from sale of real estate is recognised when a customer obtains control of the real estate.

Deposits and installments received from customers on real estate sold prior to the date of revenue recognition are presented as advance received from customers in the statement of financial position. Advance received from customers are recognised as revenue when the Group transfers control over the real estate to the customers. For advances that contain a significant financing component interest expense. Interest expense is recognised using the effective interest method.

*Contract balances*

Contract liabilities which presented as advance received from customers in the statement of financial position are the obligation to transfer goods or services to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

*Cost to obtain contracts*

Cost to obtain contracts are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs.

Cost to obtain contracts are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on a straight-line basis consistent with the related revenue recognition.

# Veranda Resort Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### (r) *Income tax*

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### (s) *Earnings per share*

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

### (t) *Related parties*

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

### (u) *Segment reporting*

Segment results that are reported to the Group's the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly primarily the Company's headquarters, head office expenses, and tax assets and liabilities.

**Veranda Resort Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2022**

**4 Impact of COVID-19 pandemic**

COVID-19 pandemic is still ongoing. The Group's and the Company's operation was and may continue to be affected by the economic uncertainty.

However, in 2022, there was an increase in domestic vaccination rate and the government has relaxed COVID-19 pandemic measures including opening the country to allow international tourists. As a result, the occupancy rate of hotel business has been increased.

Due to high uncertainty of current situation, management could not assess the impact of ongoing COVID-19 pandemic. Nevertheless, management has continuously monitored the situation and take actions to minimise the impact.

**5 Related parties**

Relationships with subsidiaries are described in notes 9. Other related parties that the Group had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
V C Land Co., Ltd.	Thailand	Related company, some common shareholders and directors
Siam Future Development Public Company Limited <sup>(1)</sup>	Thailand	Related company, common director
Related person	Thailand	Director, executive officer and related person with director and executive officer
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

<sup>(1)</sup> Siam Future Development Public Company Limited was the Company's related party until 29 August 2021 as the director of the Company submitted the resignation letter from director position of the aforesaid company.

<b>Significant transactions with related parties</b> <b>Year ended 31 December</b>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Revenue from management service	-	-	23,539	15,813
Interest income	-	-	4,594	4,771
Other income	-	-	12,168	4,768
Selling expenses	-	-	727	360
Administrative expenses	-	-	1,271	829
Finance costs	-	-	538	224
Purchase of assets	-	-	5,802	1,578
Sale of assets	-	-	5,166	2,721
<b>Other related parties</b>				
Costs of sales of food and beverage	343	1,265	-	-
Administrative expenses	1,059	797	-	-



**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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*Loan from related party agreements*

The Company entered into loan from agreements with subsidiaries in terms of promissory notes which bore interest at stated in promissory. These loans are repayable at call.

**6 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	2,584	1,981	810	655
Cash at banks	231,714	83,756	186,886	39,784
<b>Total</b>	<b>234,298</b>	<b>85,737</b>	<b>187,696</b>	<b>40,439</b>

**7 Trade and other receivables**

<b>At 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Trade receivables				
Within credit terms	28,912	23,117	7,610	11,139
Overdue:				
Up to 3 months	5,769	5,699	657	77
3 - 6 months	309	1	105	-
6 - 12 months	27	9	23	8
Over 12 months	954	1,064	521	608
<b>Total</b>	<b>35,971</b>	<b>29,890</b>	<b>8,916</b>	<b>11,832</b>
<i>Less allowance for expected credit loss</i>	<i>(799)</i>	<i>(807)</i>	<i>(515)</i>	<i>(524)</i>
<b>Net</b>	<b>35,172</b>	<b>29,083</b>	<b>8,401</b>	<b>11,308</b>
Interest receivable	-	-	5,437	3,656
Accrued income	-	96	-	226
Other receivables	17,570	13,505	27,273	14,674
<b>Total</b>	<b>57,742</b>	<b>42,684</b>	<b>41,111</b>	<b>29,864</b>

<i>Allowance for expected credit loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
At 1 January	807	839	524	556
Reversal	(8)	(32)	(9)	(32)
<b>At 31 December</b>	<b>799</b>	<b>807</b>	<b>515</b>	<b>524</b>

Information of credit risk is disclosed in note 22 (b.1).

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**8 Real estate development for sale**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Real estate under development	224,850	164,308	195,600	164,308
Developed real estates	244,094	411,065	239,940	398,313
<b>Total</b>	<b>468,944</b>	<b>575,373</b>	<b>435,540</b>	<b>562,621</b>
<i>Less</i> allowance for devaluation	(3,920)	(4,380)	(3,920)	(3,920)
<b>Net</b>	<b>465,024</b>	<b>570,993</b>	<b>431,620</b>	<b>558,701</b>
Finance costs capitalised in real estate development for sale during the year	3,061	2,550	3,061	2,550
Capitalisation rate ( <i>% per annum</i> )	4.00	3.52	4.00	3.52
Cost of real estate development for sale recognised in 'cost of sale of real estate:				
- Cost	169,619	550,113	160,132	535,233
- Reversal of allowance for devaluation	(461)	(1,686)	-	(454)
<b>Net</b>	<b>169,158</b>	<b>548,427</b>	<b>160,132</b>	<b>534,779</b>

As at 31 December 2022, the Group and the Company have mortgaged real estate development for sale amounting to Baht 377 million and Baht 377 million, respectively. (2021: Baht 523 million and Baht 523 million, respectively) to secure credit facilities received from financial institutions.

As at 31 December 2022, real estate under development of the Group and the Company amounting to Baht 215 million and Baht 186 million, respectively (2021: Baht 157 million and Baht 157 million, respectively) are expected to be completed more than one year after the reporting period.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**9 Investments in subsidiaries**

	Type of business	Ownership interest (%)		Paid-up capital		Cost		Separate financial statements				Dividend income for the year	
		2022	2021	2022	2021	2022	2021	Impairment	At cost - net		2022	2021	
		<i>(in thousand Baht)</i>											
<b>Direct subsidiaries</b>													
Huahin Pool Suite	Hotel	99.99	99.99	50,000	50,000	49,999	49,999	-	-	49,999	49,999	-	-
Company Limited													
Oak Tree Company Limited	Hotel	99.99	99.99	850,000	850,000	1,069,430	1,069,430	-	-	1,069,430	1,069,430	-	-
Oak Tree Realty	Rental properties												
Company Limited	and human resource outsourcing services												
		99.99	99.99	5,000	5,000	6,944	6,944	-	-	6,944	6,944	-	-
Veranda Cuisine	Sales of food and beverage	99.99	99.99	20,000	20,000	20,000	20,000	(3,368)	(3,368)	16,632	16,632	-	-
Company Limited	Hotel												
The isa Resort													
Company Limited													
Veranda Beach Pattaya	Hotel and real estate development	99.99	99.99	100,000	100,000	377,438	377,438	(11,300)	(11,300)	366,138	366,138	-	-
Company Limited													
PDS Holding	Sales of food and beverage	99.99	99.99	300,000	300,000	282,642	282,642	-	-	282,642	282,642	-	-
Company Limited													
<b>Total</b>						<b>1,943,947</b>	<b>1,943,947</b>	<b>(14,668)</b>	<b>(14,668)</b>	<b>1,929,279</b>	<b>1,929,279</b>	<b>-</b>	<b>-</b>
<b>Indirect subsidiary</b>													
Veranda Pastry	Sales of food and beverage	99.99	99.99	5,000	5,000	-	-	-	-	-	-	-	-
Company Limited													

All subsidiaries were incorporated and mainly operate in Thailand,

# Veranda Resort Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### 10 Investment property

	<b>Consolidated and separate financial statements</b>
	Land
	<i>(in thousand Baht)</i>
<i>Cost and net book value</i>	
As at 1 January 2021	12,500
As at 31 December 2021 and 1 January 2022	<u>12,500</u>
As at 31 December 2022	<u><u>12,500</u></u>

As at 31 December 2022, the Company have mortgaged investment property amounting to Baht 12.5 million. (2021: Baht 12.5 million) to secure credit facilities received from financial institutions, as described in Notes 14.

The fair value of investment properties as at 31 December 2022 of Baht 27.6 million (2021: Baht 29.3 million) was determined by using market approach. The fair value of investment property has been categorised as a Level 3 fair value.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**11 Property, plant and equipment and right-of-use assets**

	Consolidated financial statements							Total
	Land	Land improvements	Buildings and building improvements	Tools and equipment (in thousand Baht)	Furniture and fixtures	Vehicles	Assets under construction and installation	
<b>Cost</b>								
At 1 January 2021	1,194,271	106,181	2,830,686	267,501	972,331	19,327	49,441	5,439,738
Additions	33,678	1,734	13,908	12,739	4,105	47	56,077	122,288
Transfer from right-of use assets	-	-	-	-	-	472	-	472
Transfer	-	341	41,261	936	7,004	-	(49,542)	-
Disposal/write-off	-	(94)	(12,047)	(29,871)	(10,832)	(443)	-	(53,287)
Transfer from (to) real estate development for sale	(54,426)	-	-	-	764	-	-	(53,662)
<b>At 31 December 2021 and 1 January 2022</b>	<b>1,173,523</b>	<b>108,162</b>	<b>2,873,808</b>	<b>251,305</b>	<b>973,372</b>	<b>19,403</b>	<b>55,976</b>	<b>5,455,549</b>
Additions	10,797	3,370	6,289	21,888	10,074	48	33,223	85,689
Transfer	10,200	737	12,797	1,500	24,437	-	(49,671)	-
Disposal/write-off	-	-	(962)	(14,118)	(2,784)	(6,698)	-	(24,562)
Transfer from (to) real estate development for sale	(21,911)	-	-	-	10	-	-	(21,901)
<b>At 31 December 2022</b>	<b>1,172,609</b>	<b>112,269</b>	<b>2,891,932</b>	<b>260,575</b>	<b>1,005,109</b>	<b>12,753</b>	<b>39,528</b>	<b>5,494,775</b>

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	Consolidated financial statements							Total
	Land	Land improvements	Buildings and building improvements	Tools and equipment (in thousand Baht)	Furniture and fixtures	Vehicles	Assets under construction and installation	
<b>Depreciation and impairment losses</b>								
At 1 January 2021	-	36,523	1,046,239	198,868	510,757	16,967	-	1,809,354
Depreciation charge for the year	-	6,778	113,450	24,702	54,757	1,341	-	201,028
Disposal/write-off	-	(94)	(8,581)	(28,998)	(10,514)	(443)	-	(48,630)
<b>At 31 December 2021 and 1 January 2022</b>	-	<b>43,207</b>	<b>1,151,108</b>	<b>194,572</b>	<b>555,000</b>	<b>17,865</b>	-	<b>1,961,752</b>
Depreciation charge for the year	-	7,266	105,467	20,577	53,624	668	-	187,602
Impairment losses	-	-	2,006	-	29	-	-	2,035
Disposal/write-off	-	-	(469)	(13,007)	(2,650)	(6,659)	-	(22,785)
<b>At 31 December 2022</b>	-	<b>50,473</b>	<b>1,258,112</b>	<b>202,142</b>	<b>606,003</b>	<b>11,874</b>	-	<b>2,128,604</b>
<b>Net book value</b>								
At 31 December 2021	1,173,523	64,955	1,722,700	56,733	418,372	1,538	55,976	3,493,797
At 31 December 2022	1,172,609	61,796	1,633,820	58,433	399,106	879	39,528	3,366,171

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

Cost	Separate financial statements							Total
	Land	Land improvements	Buildings and building improvements	Tools and equipment <i>(in thousand Baht)</i>	Furniture and fixtures	Vehicles	Assets under construction and installation	
At 1 January 2021	690,924	27,123	784,960	78,882	242,040	11,417	28,483	1,863,829
Additions	33,677	1,717	827	4,571	748	33	23,803	65,376
Transfer from right-of use assets	-	-	-	-	-	253	-	253
Transfer	-	342	22,899	724	3,894	-	(27,859)	-
Disposal/write-off	(965)	(94)	(580)	(18,609)	(5,874)	(255)	-	(26,377)
Transfer to real estate development for sale	(54,426)	-	-	-	-	-	-	(54,426)
<b>At 31 December 2021 and 1 January 2022</b>	<b>669,210</b>	<b>29,088</b>	<b>808,106</b>	<b>65,568</b>	<b>240,808</b>	<b>11,448</b>	<b>24,427</b>	<b>1,848,655</b>
Additions	16,134	2,825	2,845	6,877	1,412	-	25,399	55,492
Transfer	10,200	703	829	-	1,924	-	(13,656)	-
Disposal/write-off	(5,166)	-	-	(2,427)	(277)	(6,634)	-	(14,504)
Transfer to real estate development for sale	(22,082)	-	-	-	-	-	-	(22,082)
<b>At 31 December 2022</b>	<b>668,296</b>	<b>32,616</b>	<b>811,780</b>	<b>70,018</b>	<b>243,867</b>	<b>4,814</b>	<b>36,170</b>	<b>1,867,561</b>

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	Separate financial statements						Total
	Land	Land improvements	Buildings and building improvements	Tools and equipment (in thousand Baht)	Furniture and fixtures	Vehicles	
<b>Depreciation</b>							
At 1 January 2021	-	12,377	334,732	57,220	119,644	10,603	534,576
Depreciation charge for the year	-	1,961	31,117	7,826	17,521	658	59,083
Disposal/write-off	-	(94)	(349)	(17,999)	(5,744)	(255)	(24,441)
<b>At 31 December 2021 and 1 January 2022</b>	-	<b>14,244</b>	<b>365,500</b>	<b>47,047</b>	<b>131,421</b>	<b>11,006</b>	<b>569,218</b>
Depreciation charge for the year	-	2,421	26,282	5,888	13,422	331	48,344
Disposal/write-off	-	-	-	(1,955)	(179)	(6,600)	(8,734)
<b>At 31 December 2022</b>	-	<b>16,665</b>	<b>391,782</b>	<b>50,980</b>	<b>144,664</b>	<b>4,737</b>	<b>608,828</b>
<b>Net book value</b>							
At 31 December 2021	<b>669,210</b>	<b>14,844</b>	<b>442,606</b>	<b>18,521</b>	<b>109,387</b>	<b>442</b>	<b>1,279,437</b>
At 31 December 2022	<b>668,296</b>	<b>15,951</b>	<b>419,998</b>	<b>19,038</b>	<b>99,203</b>	<b>77</b>	<b>1,257,733</b>

The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2022 amounted to Baht 500 million and Baht 276 million, respectively (2021: Baht 470 million and Baht 270 million, respectively).

Capitalised borrowing costs related to the hotel under construction for the Group are amounted to Baht 10.4 million and Baht 10.4 million, respectively (2021: Baht 10.2 million and Baht 10.2 million, respectively) with interest rate of 3.89 % and 3.89 %, respectively (2021: 3.52% and 3.52%, respectively).

The Group and the Company have mortgaged their land, buildings and buildings improvements, with net book values as at 31 December 2022 of Baht 2,766 million and Baht 1,051 million, respectively (2021: Baht 2,884 million and Baht 1,054 million, respectively), as collateral against credit facilities received from financial institutions (see note 14). In addition, the ownership of buildings and improvements on the leased land of certain agreements will be transferred to the lessors upon the termination of the agreements.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<i>Right-of-use assets at 31 December</i>	<b>Consolidated</b> financial statements		<b>Separate</b> financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Land and land improvements	189,481	190,109	872	1,569
Buildings and building improvements	65,953	88,578	21,958	30,914
Equipment	77	117	77	117
Vehicles	7,067	1,262	6,452	277
<b>Total</b>	<b>262,578</b>	<b>280,066</b>	<b>29,359</b>	<b>32,877</b>

In 2022, additions to a the right-of-use assets of the Group and the Company were Baht 19.0 million and Baht 6.6 million, respectively (2021: Baht 103.1 million and Baht 0.8 million, respectively).

The Group has mortgaged their right-of-use assets, with net book values as at 31 December 2022 of Baht 110 million (2021: Baht 115 million), as collateral against credit facilities received from financial institutions (see note 14).

The Group leased land, commercial spaces, office building spaces, equipment and vehicles for 2 - 35 years with extension options. The payment terms are payable by monthly at the rates specified in the agreements.

*Extension options*

The Group has extension options on property leases exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

<i>Year ended 31 December</i>	<b>Consolidated</b> financial statements		<b>Separate</b> financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Amounts recognised in profit or loss</b>				
COVID-19 related rent concessions	4,750	7,868	-	1,571
Depreciation expense of right-of-use assets:				
- Land and land improvements	12,924	11,128	697	797
- Buildings and buildings improvements	17,544	14,240	8,365	7,061
- Equipment	40	123	40	40
- Vehicles	757	1,119	386	719
Interest on lease liabilities	7,831	7,182	1,343	1,455
Expense relating to short-term leases	2,793	2,474	-	-
Expense relating to leases of low-value assets	1,551	1,386	614	571
Variable lease payments	3,285	1,168	-	-

In 2022, total cash outflow for leases of the Group and the Company were Baht 39.1 million and Baht 12.5 million, respectively (2021: Baht 28.2 million and Baht 11.1 million, respectively).

In 2022, the Group received COVID-19-related rent concessions resulting in a decrease in lease payment for the year ended 31 December 2022, amounting to Baht 4.8 million (2021: Baht 7.9 million).

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**12 Goodwill**

	<b>Consolidated financial statements</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
At 1 January	63,570	63,570
<b>At 31 December</b>	<b>63,570</b>	<b>63,570</b>
<i>Impairment losses</i>		
At 1 January	(13,500)	(13,500)
<b>At 31 December</b>	<b>(13,500)</b>	<b>(13,500)</b>
<i>Net book value</i>		
<b>At 31 December</b>	<b>50,070</b>	<b>50,070</b>

*Impairment testing for CGUs containing goodwill*

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows.

	<b>Consolidated financial statements</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
The isa Resort Company Limited	31,450	31,450
PDS Holding Company Limited	18,620	18,620
<b>Total</b>	<b>50,070</b>	<b>50,070</b>

*The isa Resort Company Limited*

The recoverable amount of The isa Resort Company Limited was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations of The isa Resort Company Limited. The fair value measurement was categorised as a Level 3 fair value.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	<b>Consolidated financial statements</b>	
	2022	2021
	<i>(%)</i>	
Discount rate	7.60	6.47
Terminal value growth rate	3	3

# Veranda Resort Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2022

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 67.31% at a market interest rate of 3.26%.

The cash flow projections included specific estimates for 5 years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate.

Based on the impairment testing, the estimated recoverable amount was estimated to be higher than its carrying amount and no impairment was required to the financial statements for the year ended 31 December 2022.

#### *PDS Holding Company Limited*

The recoverable amount of PDS Holding Company Limited was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations of PDS Holding Company Limited. The fair value measurement was categorised as a Level 3 fair value.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

<i>Key assumptions used in the estimation of value in use</i>	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
		(%)
Discount rate	13.02	11.96

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 65.59% at a market interest rate of 2.74%.

The cash flow projections included specific estimates for 16 years according to the remaining period of franchise agreement. The growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate.

Based on the impairment testing, the estimated recoverable amount was estimated to be higher than its carrying amount and no impairment was required to the financial statements for the year ended 31 December 2022.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**13 Intangible assets**

	<b>Consolidated financial statements</b>			
	<b>Software licences</b>	<b>Trademarks</b>	<b>Franchise</b>	<b>Total</b>
	<i>(in thousand Baht)</i>			
<b>Cost</b>				
At 1 January 2021	32,517	9,846	86,935	129,298
Additions	1,652	-	-	1,652
Disposals	(990)	-	-	(990)
<b>At 31 December 2021 and 1 January 2022</b>	<b>33,179</b>	<b>9,846</b>	<b>86,935</b>	<b>129,960</b>
Additions	1,983	-	-	1,983
Disposals/write-off	(46)	-	-	(46)
<b>At 31 December 2022</b>	<b>35,116</b>	<b>9,846</b>	<b>86,935</b>	<b>131,897</b>
<b>Amortisation</b>				
At 1 January 2021	20,686	3,108	10,241	34,035
Amortisation for the year	2,999	445	5,112	8,556
Disposals/write-off	(972)	-	-	(972)
<b>At 31 December 2021 and 1 January 2022</b>	<b>22,713</b>	<b>3,553</b>	<b>15,353</b>	<b>41,619</b>
Amortisation for the year	2,752	445	4,901	8,098
Disposals	(33)	-	-	(33)
<b>At 31 December 2022</b>	<b>25,432</b>	<b>3,998</b>	<b>20,254</b>	<b>49,684</b>
<b>Net book value</b>				
<b>At 31 December 2021</b>	<b>10,466</b>	<b>6,293</b>	<b>71,582</b>	<b>88,341</b>
<b>At 31 December 2022</b>	<b>9,684</b>	<b>5,848</b>	<b>66,681</b>	<b>82,213</b>

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	<b>Separate financial statements</b>
	Software licences (in thousand Baht)
<b>Cost</b>	
At 1 January 2021	11,049
Additions	2,001
Disposals	(744)
<b>At 31 December 2021 and 1 January 2022</b>	<b>12,306</b>
Additions	529
Disposals	(12)
<b>At 31 December 2022</b>	<b>12,823</b>
<b>Amortisation</b>	
At 1 January 2021	6,199
Amortisation for the year	1,305
Disposals	(744)
<b>At 31 December 2021 and 1 January 2022</b>	<b>6,760</b>
Amortisation for the year	1,191
Disposals	(10)
<b>At 31 December 2022</b>	<b>7,941</b>
<b>Net book value</b>	
<b>At 31 December 2021</b>	<b>5,546</b>
<b>At 31 December 2022</b>	<b>4,882</b>

**14 Interest-bearing liabilities**

<b>Consolidated financial statements</b>						
	2022			2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Bank overdrafts	309	-	309	2,189	-	2,189
Short-term loans from financial institutions	120,000	-	120,000	600,000	-	600,000
Long-term loans from financial institutions	1,759,857	1,353	1,761,210	1,570,125	1,590	1,571,715
Lease liabilities	-	221,811	221,811	-	230,403	230,403
Long-term debentures	-	296,397	296,397	-	-	-
<b>Total interest-bearing liabilities</b>	<b>1,880,166</b>	<b>519,561</b>	<b>2,399,727</b>	<b>2,172,314</b>	<b>231,993</b>	<b>2,404,307</b>
<b>Separate financial statements</b>						
	2022			2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Bank overdrafts	309	-	309	2,189	-	2,189
Short-term loans from						
- financial institutions	105,000	-	105,000	550,000	-	550,000
- related parties	5	40,500	40,500	-	1,000	1,000
Long-term loans from financial institutions	771,816	-	771,816	575,935	-	575,935
Lease liabilities	-	29,773	29,773	-	34,389	34,389
Long-term debentures	-	296,397	296,397	-	-	-
<b>Total interest-bearing liabilities</b>	<b>877,125</b>	<b>366,670</b>	<b>1,243,795</b>	<b>1,128,124</b>	<b>35,389</b>	<b>1,163,513</b>

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

As at 31 December 2022, the Group has bank overdrafts, short-term loans, long-term loans from financial institutions, and Debenture as follow:

Loan agreement	Type of interest bearing	Approved credit facilities (in million Baht)	Interest rate (% per annum)	Term of payment
<b>Bank overdrafts</b>				
1	Secured	26	MOR	-
2	Secured	5	MOR	Available up to October 2025
3	Secured	5	MOR	-
4	Secured	3	MOR	-
5	Secured	25	MOR	-
6	Secured	5	MOR	Available up to May 2030
<b>Short-term loans from financial institutions</b>				
1	Secured	40	MLR - fixed rate p.a.	As stated in promissory notes
2	Secured	125	MMR	As stated in promissory notes
3	Secured	45	MRR	As stated in promissory notes
4	Secured	40	MMR	As stated in promissory notes
5	Secured	40	MLR - fixed rate p.a.	As stated in promissory notes
6	Secured	40	Fixed rate p.a.	As stated in promissory notes
7	Secured	55	MLR - fixed rate p.a.	As stated in promissory notes
8	Secured	15	Fixed rate p.a.	As stated in promissory notes
<b>Long-term loans from financial institutions</b>				
1	Secured	224	MLR - fixed rate p.a.	Every month commencing from January 2022
2	Secured	140	MLR - fixed rate p.a.	Every month commencing from January 2022
3	Secured	100	MLR - fixed rate p.a.	Every month commencing from January 2022
4	Secured	75	MLR - fixed rate p.a.	Every month commencing from January 2022
5	Secured	20	Fixed rate p.a.	Every month commencing from May 2022
6	Secured	960	MLR - fixed rate p.a.	As stated in promissory notes
7	Secured	230	MLR - fixed rate p.a.	As stated in promissory notes
8	Secured	30	Fixed rate p.a.	Every month commencing from July 2023
9	Secured	126	Fixed rate p.a.	Every month commencing from July 2023
10	Secured	280	MLR - fixed rate p.a.	Every month commencing from January 2022
11	Secured	40	MLR - fixed rate p.a.	Every month commencing from February 2023
12	Secured	30	MMR	Commencing in September 2023 and March 2024
13	Secured	17	MMR	Every 6 months commencing from September 2023
14	Secured	550	Fixed rate p.a.	Every month commencing from July 2023

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Loan agreement	Type of interest bearing	Approved credit facilities (in million Baht)	Interest rate (% per annum)	Term of payment
15	Secured	20	Fixed rate p.a.	Every month commencing from May 2023
16	Secured	1,150	MLR - fixed rate p.a.	Every month commencing from January 2023
17	Secured	20	MLR - fixed rate p.a.	Every month commencing from October 2022
18	Secured	15	MLR - fixed rate p.a.	Every month commencing from March 2023
19	Unsecured	2	0%	Every month commencing from July 2021

***Debenture - Unsecured***

	Number (thousand units)	Par value per unit (in Baht)	Total value (in million Baht)	Issue date	Term	Maturity date	Coupon rate (% per annum)
<b>Long-term debentures</b>							
No. 1/2022 (repayment interest every 3 months)	300	1,000	300	17 November 2022	823 days	17 February 2025	6.50

On 7 October 2022, the Extraordinary General Meeting of Shareholders No. 1/2022 passed a resolution to approve the issuance and offering of the debentures in the amount within Baht 600 million. The debenture is an unsubordinated and unsecured and will be sold to High Net Worth Investors in the amount not exceed Baht 300 million. The objective of the issuance is for working capital and investing in the Group's new projects.

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	31 December 2022	
	<i>(in thousand Baht)</i>	
Long-term debenture	300,000	300,000
Less deferred expense	(3,603)	(3,603)
<b>Total Unsecured long-term debenture</b>	<b>296,397</b>	<b>296,397</b>

During the year 2021, the Group and the Company entered into loan agreements with financial institutions which the Group and the Company were granted additional short term credit facilities in form of promissory note to support the Group's and the Company's liquidity and operating expense under soft loan totaling of Baht 55 million and Baht 40 million, respectively. In addition, the Group and the Company have entered into addendums to the loan agreements to expand debt repayment term and reduce interest rates which financial institutions provided the Group and the Company a grace period and reduced interest rates. As a result, the certain loans have been classified as long-term borrowings from financial institutions as of 31 December 2022.

In February 2022, a subsidiary has entered into addendums to the loan agreements to expand debt repayment term which financial institutions provided such subsidiary a grace period.

As at 31 December 2022, the Group and the Company had unutilised credit facilities of totaling Baht 1,293 million and 1,191 million, respectively (2021: Baht 261 million and 189 million, respectively).

# Veranda Resort Public Company Limited and its Subsidiaries

## Notes to the financial statements

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Under the loan agreements, the Group has to comply with certain covenants and restrictions e.g. maintain interest bearing debt-to-equity ratio and debt service coverage ratio including obtaining of consent letter from the financial institutions before the Company and a subsidiary provide loan facility to their directors, shareholders and related companies and also the Company shall maintain shareholding proportion in the subsidiary as prescribed in the agreement.

In 2022, certain subsidiaries have already received the waiver letters to revoke the restriction of maintenance of certain financial ratios for the year 2022 from the financial institutions.

<i>Assets pledged as security for liabilities as at 31 December</i>	<i>note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Real estate development for sale	8	377,284	523,357	377,284	523,357
Investment property	10	12,500	12,500	12,500	12,500
Property, plant and equipment	11	2,766,077	2,884,314	1,051,426	1,053,858
Right-of-use assets	11	109,712	114,737	-	-
<b>Total</b>		<b>3,265,573</b>	<b>3,534,908</b>	<b>1,441,210</b>	<b>1,589,715</b>

### 15 Non-current provisions for employee benefits

<i>At 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Post-employment benefits	20,622	18,978	13,647	12,193
<b>Total</b>	<b>20,622</b>	<b>18,978</b>	<b>13,647</b>	<b>12,193</b>

#### *Defined benefit plan*

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

#### *Present value of the defined benefit obligations*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
At 1 January	18,978	17,224	12,193	10,877
<b>Recognised in profit or loss:</b>				
Current service cost	2,029	2,134	1,272	1,261
Interest on obligation	287	249	182	161
Benefit paid	(672)	(629)	-	(106)
<b>At 31 December</b>	<b>20,622</b>	<b>18,978</b>	<b>13,647</b>	<b>12,193</b>

#### *Principal actuarial assumptions*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(%)</i>			
Discount rate	1.49 - 2.22	1.49 - 2.22	1.49	1.49
Future salary growth	2.00	2.00	2.00	2.00
Employee turnover	2.87 - 57.30	2.87 - 57.30	7.16 - 28.65	7.16 - 28.65

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Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 11 – 23.4 years (2021: 11 - 23.4 years).

***Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<b>Consolidated financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
<b><i>Effect to the defined benefit obligation At 31 December</i></b>	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Discount rate	(1.7)	(1.6)	1.9	1.9
Future salary growth	2.2	1.9	(2.0)	(1.7)
	20% increase in assumption		20% decrease in assumption	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Employee turnover	(3.7)	(3.3)	5.0	4.3
	<b>Separate financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
<b><i>Effect to the defined benefit obligation At 31 December</i></b>	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Discount rate	(0.9)	(0.9)	1.0	1.0
Future salary growth	1.2	1.1	(1.1)	(1.0)
	20% increase in assumption		20% decrease in assumption	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Employee turnover	(1.9)	(1.7)	2.4	2.2

**16 Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**Veranda Resort Public Company Limited and its Subsidiaries**  
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**17 Segment information and disaggregation of revenue**

*(a) Segment information*

Management determined that the Group has three reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1            Hotel
- Segment 2            Real estate development for sale
- Segment 3            Food and beverages

None of other segments meet the quantitative thresholds for determining reportable segments in 2022 or 2021.

Each segment's performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Group's CODM. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

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*Information about reportable segments*

	Consolidated financial statements												
	Hotel		Real estate development for sale		Food and beverages		Others		Total reportable segments		Total		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
<b>Revenue</b>	<i>(in million Baht)</i>												
External revenues	955	395	756	103	116	103	28	16	1,321	1,270	-	1,321	1,270
Inter-segment revenue	-	-	-	-	-	-	24	16	24	16	(24)	-	-
<b>Total Revenue</b>	<b>955</b>	<b>395</b>	<b>756</b>	<b>103</b>	<b>116</b>	<b>103</b>	<b>52</b>	<b>32</b>	<b>1,345</b>	<b>1,286</b>	<b>(24)</b>	<b>1,321</b>	<b>1,270</b>
<b>Segment gross profit (loss)</b>	<b>315</b>	<b>(39)</b>	<b>208</b>	<b>15</b>	<b>14</b>	<b>15</b>	<b>13</b>	<b>7</b>	<b>395</b>	<b>191</b>	<b>-</b>	<b>395</b>	<b>191</b>
Other income												44	37
Selling expenses												(157)	(132)
Administrative expenses												(211)	(160)
Finance costs												(71)	(75)
<b>Profit (loss) before income Tax income</b>												-	(139)
Tax income												1	32
<b>Profit (loss) for the period</b>												<b>1</b>	<b>(107)</b>
<b>Timing of revenue</b>													
At a point in time	356	146	756	103	116	103	5	3	699	1,008	-	699	1,008
Over time	599	249	-	-	-	-	47	29	646	278	(24)	622	262
<b>Total revenue</b>	<b>955</b>	<b>395</b>	<b>756</b>	<b>103</b>	<b>116</b>	<b>103</b>	<b>52</b>	<b>32</b>	<b>1,345</b>	<b>1,286</b>	<b>(24)</b>	<b>1,321</b>	<b>1,270</b>

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(b) *Geographical segments*

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

(c) *Contract Balances*

Advance received from customers primarily related to the sale of real estate development for sale which the Group will recognise revenue from sales on the date on which control over the real estate is transferred to customers.

The Group's and the Company's advance received from customers at 31 December 2021 amounted of Baht 116.7 million and Baht 85.1 million, respectively, have been recognised as revenue in 2022 (*Recognised as revenue in 2021: Baht 208.8 million and Baht 198.4 million, respectively*).

(d) *Contract cost assets*

At 31 December 2022, the Group and the Company have cost to obtain contracts with customers amounted of Baht 3.2 million and Baht 2.8 million, respectively (*2021: Baht 6.2 million and Baht 6.1 million, respectively*). Which presented as "Cost to obtain contracts"

(e) *Revenue expected to be recognised in the future related to performance obligations that are unsatisfied*

At 31 December 2022, the Group and the Company have revenue expected to be recognised in the future arising from performance obligations that are unsatisfied amounted of Baht 203.9 million and 170.6 million, respectively (*2021: Baht 284.1 million and Baht 278.2 million, respectively*). The Group and the Company will recognise this revenue when a customer obtain ownership of the real estate, which is expected to occur over the next 12 months (*2021: next 12 months*).

**18 Expenses by nature**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Salary and wages and other employee benefits	398,217	260,989	151,410	112,697
Depreciation and amortisation	226,965	236,194	59,023	69,005
Operating lease and related service expenses	7,970	8,552	919	839
Repair and maintenance	17,630	11,618	5,823	4,055
Water supply and electricity	65,931	40,932	22,627	16,795
Supplies expenses	44,807	28,872	12,090	9,147
Consulting fee and other service fee	17,154	12,314	9,882	8,013
Bank charges	13,683	5,254	4,093	2,837
Management fee and franchise fee	17,119	4,351	1,675	1,278
Commission fee	48,430	40,824	22,260	28,686
Selling and marketing expenses	48,296	49,636	24,771	42,574
Cost of food and beverages	133,618	72,012	28,230	18,351
Finance cost for loans	63,503	67,564	27,732	31,401

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**19 Income tax**

<i>Income tax recognised in profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	1,173	16,716	662	16,692
Under (over) provided in prior years	(653)	134	(142)	-
	<b>520</b>	<b>16,850</b>	<b>520</b>	<b>16,692</b>
<b>Deferred tax expense</b>				
Movements in temporary differences	(1,399)	(48,602)	1,226	(3,089)
	<b>(1,399)</b>	<b>(48,602)</b>	<b>1,226</b>	<b>(3,089)</b>
<b>Total (income) expense tax</b>	<b>(879)</b>	<b>(31,752)</b>	<b>1,746</b>	<b>13,603</b>

<i>Reconciliation of effective tax rate</i>	<b>Consolidated financial statements</b>				<b>Separate financial statements</b>			
	2022		2021		2022		2021	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit (loss) before income tax expense		233		(139,002)		10,209		69,362
Income tax using the Thai corporation tax rate	Exempted -20	111	Exempted -20	(27,655)	20	2,042	20	13,872
Expenses not deductible for tax purposes		326		668		43		547
Additional deductible expenses		(1,129)		(1,236)		(465)		(692)
Recognition of previously unrecognised tax losses		(27)		(5,140)		-		-
Current year losses for which no deferred tax asset was recognised		280		1,442		-		-
Under (over) provided in prior years		(653)		134		(142)		-
Others		213		35		268		(124)
<b>Total</b>	<b>(377)</b>	<b>(879)</b>	<b>23</b>	<b>(31,752)</b>	<b>17</b>	<b>1,746</b>	<b>20</b>	<b>13,603</b>

<i>Deferred tax At 31 December</i>	<b>Consolidated financial statements</b>				<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>		<b>Assets</b>		<b>Liabilities</b>	
	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>							
Total	94,020	89,133	(62,576)	(59,088)	6,136	6,281	(2,459)	(1,377)
Set off of tax	(13,684)	(7,974)	13,684	7,974	(2,459)	(1,377)	2,459	1,377
<b>Net deferred tax assets (liabilities)</b>	<b>80,336</b>	<b>81,159</b>	<b>(48,892)</b>	<b>(51,114)</b>	<b>3,677</b>	<b>4,904</b>	<b>-</b>	<b>-</b>

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<i>Deferred tax</i>	<b>Consolidated financial statements</b>			<b>At 31 December</b>
	<b>At 1 January</b>	<b>(Charged) / Credited to</b>		
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
<b>2022</b>				
<b><i>Deferred tax assets</i></b>				
Trade receivables	162	(2)	-	160
Real estate development for sale	876	(92)	-	784
Provisions for employee benefits	3,796	(19)	-	3,777
Lease liabilities	2,558	184	-	2,742
Other payables	2,138	1,154	-	3,292
Provisions	1,384	176	-	1,560
Other non-current liabilities	3,717	134	-	3,851
Loss carry forward	74,502	3,352	-	77,854
<b>Total</b>	<b>89,133</b>	<b>4,887</b>	<b>-</b>	<b>94,020</b>
<b><i>Deferred tax liabilities</i></b>				
Other receivables	(26)	(8)	-	(34)
Cost to obtain contracts	(1,244)	657	-	(587)
Other current financial liabilities	-	(14)	-	(14)
Property, plant and equipment	(6,571)	(5,645)	-	(12,216)
Long-term loans from financial institutions	(133)	21	-	(112)
Debentures	-	(721)	-	(721)
Fair value adjustment of assets from business acquisition	(51,114)	2,222	-	(48,892)
<b>Total</b>	<b>(59,088)</b>	<b>(3,488)</b>	<b>-</b>	<b>(62,576)</b>
<b>2021</b>				
<b><i>Deferred tax assets</i></b>				
Trade receivables	168	(6)	-	162
Real estate development for sale	1,222	(346)	-	876
Provisions for employee benefits	3,164	632	-	3,796
Lease liabilities	2,482	76	-	2,558
Other payables	1,353	785	-	2,138
Provisions	2,129	(745)	-	1,384
Other non-current liabilities	3,579	138	-	3,717
Loss carry forward	33,017	41,485	-	74,502
<b>Total</b>	<b>47,114</b>	<b>42,019</b>	<b>-</b>	<b>89,133</b>
<b><i>Deferred tax liabilities</i></b>				
Other receivables	(16)	(10)	-	(26)
Cost to obtain contracts	(4,260)	3,016	-	(1,244)
Property, plant and equipment	(3,299)	(3,272)	-	(6,571)
Long-term loans from financial institutions	(358)	225	-	(133)
Fair value adjustment of assets from business acquisition	(57,738)	6,624	-	(51,114)
<b>Total</b>	<b>(65,671)</b>	<b>6,583</b>	<b>-</b>	<b>(59,088)</b>

# Veranda Resort Public Company Limited and its Subsidiaries

## Notes to the financial statements

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<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<b>2022</b>				
<i>Deferred tax assets</i>				
Trade receivables	105	(2)	-	103
Real estate development for sale	784	-	-	784
Provisions for employee benefits	2,438	291	-	2,729
Lease liabilities	311	(209)	-	102
Other payables	955	(90)	-	865
Provisions	1,688	(135)	-	1,553
<b>Total</b>	<b>6,281</b>	<b>(145)</b>	<b>-</b>	<b>6,136</b>
<i>Deferred tax liabilities</i>				
Other receivables	(26)	(3)	-	(29)
Cost to obtain contracts	(1,218)	657	-	(561)
Other current financial liabilities	-	(14)	-	(14)
Property, plant and equipment	-	(1,022)	-	(1,022)
Long-term loans from financial institutions	(133)	21	-	(112)
Debentures	-	(721)	-	(721)
<b>Total</b>	<b>(1,377)</b>	<b>(1,082)</b>	<b>-</b>	<b>(2,459)</b>
<b>2021</b>				
<i>Deferred tax assets</i>				
Trade receivables	111	(6)	-	105
Real estate development for sale	875	(91)	-	784
Provisions for employee benefits	2,175	263	-	2,438
Lease liabilities	411	(100)	-	311
Other payables	632	323	-	955
Provisions	2,019	(331)	-	1,688
<b>Total</b>	<b>6,223</b>	<b>58</b>	<b>-</b>	<b>6,281</b>
<i>Deferred tax liabilities</i>				
Other receivables	(16)	(10)	-	(26)
Cost to obtain contracts	(4,034)	2,816	-	(1,218)
Long-term loans from financial institutions	(358)	225	-	(133)
<b>Total</b>	<b>(4,408)</b>	<b>3,031</b>	<b>-</b>	<b>(1,377)</b>
<b>Unrecognised deferred tax assets</b>				
	Consolidated financial statements/ 2022		Separate financial statements 2022	
	2021		2021	
	<i>(in thousand Baht)</i>			
Tax losses	19,996	42,859	-	-
<b>Total</b>	<b>19,996</b>	<b>42,859</b>	<b>-</b>	<b>-</b>

The tax losses of subsidiaries expire in 2023 - 2027. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

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The tax losses of subsidiaries expire in 2023 - 2027. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

**20 Earnings (loss) per share**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Profit (loss) attributable to ordinary shareholders for the year ended 31 December</i></b>				
Profit (loss) for the year attributable to ordinary shareholders of the Company	1,112	(107,249)	8,463	55,759
<b>Profit (loss) attributable to ordinary shareholders of the Company (basic)</b>	<b>1,112</b>	<b>(107,249)</b>	<b>8,463</b>	<b>55,759</b>
<b><i>Ordinary shares outstanding At 31 December</i></b>	<b>319,682</b>	<b>319,682</b>	<b>319,682</b>	<b>319,682</b>
<b>Earnings per share (basic) <i>(in Baht)</i></b>	<b>0.003</b>	<b>(0.335)</b>	<b>0.026</b>	<b>0.174</b>

**21 Dividends**

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in million Baht)</i>
<b>2021</b>				
Annual dividend 2020	21 April 2021	19 May 2021	0.10	31.97

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**22 Financial instruments**

*(a) Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	<b>Consolidated financial statements</b>						
	<b>Carrying amount</b>		<b>Fair value</b>				<b>Total</b>
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	
<i>(in million Baht)</i>							
<b>At 31 December 2022</b>							
<b>Financial assets</b>							
Other current financial assets							
Investment unit	22	-	22	-	22	-	22
<b>Financial liabilities</b>							
Long-term debenture	-	296	296	-	304	-	304
<b>At 31 December 2021</b>							
Other current financial assets							
Investment unit	30	-	30	-	30	-	30
<b>Separate financial statements</b>							
	<b>Carrying amount</b>		<b>Fair value</b>				<b>Total</b>
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	
	<i>(in million Baht)</i>						
<b>At 31 December 2022</b>							
<b>Financial assets</b>							
Other current financial assets							
Investment unit	20	-	20	-	20	-	20
<b>Financial liabilities</b>							
Long-term debenture	-	296	296	-	304	-	304
<b>At 31 December 2021</b>							
Other current financial assets							
Investment unit	30	-	30	-	30	-	30

The following table presents valuation technique of financial instruments measured at fair value in statement of financial position

<b>Type</b>	<b>Valuation technique</b>
Investments in marketable unit trusts classified as financial assets measured at FVTPL	The net asset value as of the reporting date.

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*(b) Financial risk management policies*

*Risk management framework*

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of executive directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The risk management committee reports regularly to the audit committee and board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's audit committee is assisted in its oversight role by internal auditor. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

*(b.1) Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

*(b.1.1) Trade receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. The Group's review sale limits are established for each customer and reviewed yearly. Any sales exceeding those limits require approval from Executive Vice President of hotel operation.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 90 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade receivables are disclosed in note 8.

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(b.1.2) Investment in debt securities

The Group considers that all debt investments measured at FVTPL have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or 'low credit risk'. Marketable bonds are considered to be an investment grade credit rating published by external credit rating agencies. The credit risk of other instruments are considered to be low when the risk of default is low and the issuer has a strong capacity to meet its contractual cash flow obligations.

The Group and Company monitors changes in credit risk by tracking published external credit ratings. To assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group and Company supplements this by reviewing changes in bond yields together with available press and regulatory information about debtors.

(b.1.3) Cash and cash equivalent

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<i>At 31 December</i>	<b>Consolidated financial statements</b>				
	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 year but less than 5 years	More than 5 years	
			<i>(in thousand Baht)</i>		
<b>2022</b>					
Bank overdrafts and short-term loans from financial institutions	120,309	121,132	-	-	121,132
Trade and other payables	196,330	196,330	-	-	196,330
Lease liabilities	221,811	43,273	89,704	94,702	227,679
Long-term loans from financial institutions	1,761,210	284,300	1,250,043	531,998	2,066,341
Other financial liabilities	5,669	1,669	-	4,000	5,669
Long-term debenture	296,397	19,500	324,375	-	343,875
	<u><b>2,601,726</b></u>	<u><b>666,204</b></u>	<u><b>1,664,122</b></u>	<u><b>630,700</b></u>	<u><b>2,961,026</b></u>
<b>2021</b>					
Bank overdrafts and short-term loans from financial institutions	602,189	605,515	-	-	605,515
Trade and other payables	184,913	184,913	-	-	184,913
Lease liabilities	230,403	25,283	108,380	99,731	233,394
Long-term loans from financial institutions	1,571,715	627,483	740,715	443,165	1,811,363
Other financial liabilities	5,669	-	1,669	4,000	5,669
	<u><b>2,594,889</b></u>	<u><b>1,443,194</b></u>	<u><b>850,764</b></u>	<u><b>546,896</b></u>	<u><b>2,840,854</b></u>

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

<i>At 31 December</i>	Carrying amount	Separate financial statements Contractual cash flows			Total
		1 year or less	More than 1 year but less than 5 years <i>(in thousand Baht)</i>	More than 5 years	
<b>2022</b>					
Bank overdrafts and short-term loans from financial institutions	105,309	106,121	-	-	106,121
Trade and other payables	89,038	89,038	-	-	89,038
Lease liabilities	29,773	11,052	20,929	-	31,981
Long-term loans from financial institutions	771,815	167,137	626,599	84,675	878,411
Long-term debenture	296,397	19,500	324,375	-	343,875
	<u>1,292,332</u>	<u>392,848</u>	<u>971,903</u>	<u>84,675</u>	<u>1,449,426</u>
<b>2021</b>					
Bank overdrafts and short-term loans from financial institutions	552,189	555,337	-	-	555,337
Trade and other payables	120,619	120,619	-	-	120,619
Lease liabilities	34,389	10,025	27,249	-	37,274
Long-term loans from financial institutions	575,935	147,601	502,139	-	649,740
	<u>1,283,132</u>	<u>833,582</u>	<u>529,388</u>	<u>-</u>	<u>1,362,970</u>

*(b.3) Market risk*

*(b.3.1) Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates (see note 14) are mainly variable. So the Group is primarily exposed to interest rate risk. The Group mitigates this risk by ensuring that the majority of its borrowings are approximate at market rates.

<i>Exposure to interest rate risk</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
<b>Financial instruments with variable interest rates</b>				
Financial liabilities	(1,817)	(2,123)	(877)	(1,128)

*Cash flow sensitivity analysis for variable-rate instruments*

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
<i>Impact to profit or loss</i>				
<b>2022</b>				
Financial instruments with variable interest rate	18	(18)	9	(9)
The sensitivity of cashflow	<u>18</u>	<u>(18)</u>	<u>9</u>	<u>(9)</u>
<b>2021</b>				
Financial instruments with variable interest rate	21	(21)	11	(11)
The sensitivity of cashflow	<u>21</u>	<u>(21)</u>	<u>11</u>	<u>(11)</u>

**23 Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

**24 Commitments with non-related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
<i>At 31 December</i>				
	<i>(in million Baht)</i>			
<b>Capital commitments</b>				
Construction of hotel buildings and condominium	659	40	633	39
<b>Future minimum lease payments under non-cancellable operating leases</b>				
Within 1 year	11	7	1	1
1 - 5 years	1	2	-	-
<b>Total</b>	<u>12</u>	<u>9</u>	<u>1</u>	<u>1</u>
<b>Other commitments</b>				
Bank guarantees	8	8	3	3

*Hotel management agreement*

A subsidiary has entered into franchise agreements with the Accor Group to operate hotel under SO/ Bangkok brand. Under the terms, a subsidiary is committed to pay fees to Accor Group at the rates, terms and basis specified in the agreement. The term of the franchise agreement is for 27 years from commencement of hotel operation and extendible for a further period of 2 years upon the conditions specified in the agreement.

**Veranda Resort Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

*Franchise agreements*

Subsidiaries have entered into franchise agreements with third parties in order to obtain rights to operate food restaurants and beverage. According to the agreements, subsidiaries are committed to pay franchise fees as specified in the agreement. Furthermore, subsidiaries have to pay royalty fees based on a percentage of sales and have to comply with certain terms and conditions as specified in the agreement.

*Litigation*

During the year 2019, the Company received a letter from the Phetchaburi Administrative Court notifying the Company, as an interpleader, to enter in a legal case between an individual and its parties (“the plaintiff”) and the Director-General of the Department of Lands and 2 other parties (“the defendant”). The Company has purchased many plots of land located in Khao Takiab District, Hua Hin District, Prachuap Khiri Khan. After receiving the ownership of the land, the Company found that the villagers nearby the land, led by the plaintiff, had previously sued the Department of Lands and the Director-General of the Department of Lands as defendant on the grounds that the defendant unlawfully issued land title deeds, blocking a path to access the beach and the defendant moved the pins of land which was a thoroughfare for the villagers. The Prachuap Khiri Khan Provincial Land Office, Hua Hin Branch, in collaboration with the Regional Harbor Office, Prachuap Khiri Khan Branch, and Hua Hin Municipality Office, had inspected the said area and viewed favorably that such land did not block the public beachfront thoroughfare. The Supreme Court had dismissed the case on 1 December 2016.

On 15 July 2020, the Phetchaburi Administrative Court rendered a verdict on the said case to revoke the land title deeds of 4 plots of the Company, only the sections that overlap or overlap the road boundary. The total area of land that may be affected is approximately 53 Square wah and the book value is in the amount of Baht 4.9 million.

On 13 August 2020, the Company filed an appeal against the judgement of the Phetchaburi Administrative Court to the Supreme Administrative Court. The case is still under consideration of the Supreme Administrative Court.

As at 31 December 2022, the Company has already set up provision for loss arising from litigation of Baht 4.9 million (2021: Baht 4.9 million). The management of the Company believes that the provisions made in the accounts are adequate to cover any losses that may arise from this case.

During the year 2022, the Company has been sued in lawsuits related to breaches of condominium sale and purchase contracts to refund advance received from customer with interest by total amount of approximately Baht 6.3 million. The cases are currently being heard by the Court of First Instance. However, the management of the Company believes that loss arising from these cases will not be significantly exceed the provision for loss arising from litigation and advance received which the Company has already recorded in the accounts.

*Servitude commitments*

As at 31 December 2022, the Group and the Company have servitude over land amounting to 1,482.80 Square wah and 1,264.77 Square wah (2021: approximately 1,482.80 Square wah and 1,264.77 Square wah). Cost of servitude over land is included in the Group’s and the Company’s property, plant and equipment.

### Details of Directors, Executives and Controller Person

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
1. Mr.Chai Jroongtanapibarn  · Chairman of the Board · Independent Director · Chairman of Nomination and Remuneration Committee  Former Name -	68	- Bachelor of Accounting, Chulalongkorn University  - Master of Accounting, Thammasat University  - Certificates of Thai Institute of Directors (IOD) in - Director Certification Program (DCP) Class. 29/2003  - Audit Committee Program (ACP) Class. 4/2005	0.05	-	2017 – Present	Chairman of Board/ Independent Director/ Chairman of Nomination and Remuneration Committee	Veranda Resort Public Company Limited
					<u>Other Companies</u>		
					2007 – Present	Audit Committee/Independent Director / Risk Management Committee	Siam Food Products PCL.
					2006 – Present	Audit Committee/ Independent Director /Sustainability and Risk Management Committee	Oishi Group PCL.
					2005 – Present	Chairman of Board / Chairman of Audit Committee / Independent Director	TMT Steel PCL.
					2002 – Present	Chairman of Audit Committee / Independent Director	Major Cineplex Group PCL.
					2000 – Present	Chairman of Audit Committee / Independent Director	Team Precision PCL.

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
2. Mr. Verawat Ongvasith  - Vice Chairman of the Board - Chairman of Executive - Chief Executive Officer - Acting Vice President of Business and Property Development Department  Former Name -	52	- Bachelor of Business Administration (Honours), Chulalongkorn University - Master of Business Administration, Boston University, USA - Certificate of Thai Institute of Directors (IOD) in - Director Accreditation Program (DAP) 22/2004	26.33	- Younger sibling of persons in 6 <sup>th</sup> and 7 <sup>th</sup> - Uncle of the person in 12 <sup>th</sup>	2004 – Present	Vice Chairman of Board/ Chairman of Executive Committee /Chief Executive Officer/ Acting Vice President of Business and Property Development Department	Veranda Resort Public Company Limited
					<u>Subsidiaries</u>		
					2021 – Present	Director	Veranda pastry Co.,Ltd
					2019 – Present	Director	PDS Holding Co.,Ltd
					2015 – Present	Director	Veranda Cuisine Co.,Ltd
					2015 – Present	Director	The Isa Resort Co.,Ltd
					2013 – Present	Director	Veranda Beach Pattaya Co.,Ltd
					2012 – Present	Director	Oak Tree Realty Co.,Ltd
					2006 – Present	Director	Oak Tree Co.,Ltd
					<u>Other Companies</u>		
2018 – Present	Director	Hangiew Holding PTE. LTD.					
2018 – Present	Director	Vivat Investment Limited					
2016 – Present	Director	VBK Consultant Co.,Ltd					
2012 – Present	Director	Ajis Thailand Co.,Ltd					
2010 – Present	Director	BLP Holding Co.,Ltd					
2005 – Present	Director	VC Land Co.,Ltd					
2003 – Present	Director	Major Cineplex Group PCL.					
2001 – Present	Director/Executive Director	Subvivat Construction Co.,Ltd					

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
3. Mr.Paiboon Kujareevanich  - Independent Director - Chairman of Audit Committee - Member Nomination & Remuneration - Chairman of Risk Management Committee  Former Name -	65	- Bachelor of Accounting, Chulalongkorn University  - Master of Business Administration, Thammasat University  - Certificate of Thai Institute of Directors (IOD) in  - Director Accreditation Program (DAP) class.113/2014  - Effective Minute Taking (EMT) Class. 10/2008  - Company Secretary Program (CSP) class. 159/2019	0.00	-	2020 – Present	Independent Director / Chairman of Audit Committee / Nomination & Remuneration Committee	Veranda Resort Public Company Limited
					<u>Other Companies</u> 22018 – Present	Independent Director / Chairman of Audit Committee	I and I Group PCL.
					2016 – Present	Independent Director / Member of Audit and Risk Management Committee	Chumporn Palm Oil Industry PCL.
					2018 – 2019	Chief Financial Officer	Bangkok hospital Group Co.,Ltd
					2013 – 2017	Director / Executive Director Risk Management Committee	Carabao Group PCL.
					2006 – 2013	Executive Director / Risk Management Committee / Deputy Managing Director of Finance	Oishi Group PCL.

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
4. Asst.Prof.Siriporn Maneepun  - Independent Director - Member of Audit Committee  Former Name -	52	- Bachelor of Law, Chulalongkorn University  - Master of Comparative Jurisprudence, Howard University, U.S.A.  - Master of Laws, Temple University, U.S.A.  - Barrister-at-Law, the Thai Bar under the Royal Patronage  - Certificate of Thai Institute of Directors Association (IOD) in Director Accreditation Program (DAP), Class 27/2004	0.00	-	2020 – Present	Audit Committee/ Independent Director	Veranda Resort Public Company Limited
					<u>Other Companies</u>		
					2020 – Present	Director	Chumpon Bay Hills Co.,Ltd
					2020 – Present	Director	Khao Khor Thani Co.,Ltd
					2020 – Present	Director	Hin Rong Khla Thani Co.,Ltd
					2020 – Present	Director	Phu Nam Fah Co.,Ltd
					2010 – Present	Director	Suk Sri Wong Co.,Ltd
					2010 – Present	Director	Dragon Tale Co.,Ltd
					2010 – Present	Director	Nana Hotel Co.,Ltd

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
5. Mr.Trairak Tengtrairat	54	- Bachelor of Business Administration in International Marketing, Chulalongkorn University	0.00	-	2017 – Present	Audit Committee/ Independent Director	Veranda Resort Public Company Limited
- Member of Audit Committee		- Master of Business Administration, Seattle University, USA			<u>Other Companies</u>		
- Independent Director		- Certificates of Thai Institute of Directors (IOD) in			2020 – Present	Managing Director	Kiatnakin Phatra Securities PCL
Former Name		- Director Accreditation Program (DAP) 109/2014			2020 – Present	Executive Director	Kiatnakin Phatra Bank PCL.
-		- Corporate Governance for Capital Market (CGI) 7/2015			2019 – Present	Director	Kruem Co.,Ltd
		- Advanced Audit Committee Program Class (AAP) 15/2014			2018 – Present	Vice President	Kiatnakin Phatra Securities PCL
		- Capital Market Academy (CMA) 11/2010			2014 – Present	Director	KKP Capital PCL.
					2014 – Present	Director	Kiatnakin Phatra Securities PCL
					2008 – Present	Director	Crystal Football Club

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
6. Mrs. Tosaporn Angsuwarangsi  - Director - Member of Risk Management Committee - Executive Director - Chief Finance Officer  Former Name Ms.Tosaporn Ongvasith	58	- Bachelor of Accounting, Chulalongkorn University - Master of Accounting and Finance, Clark University, USA - Certificate of Thai Institute of Directors (IOD) in Director Accreditation Program (DAP) 22/2004 - Certificate of Thailand Securities Institute (TSI), the Stock Exchange of Thailand in Strategic CFO in Capital Markets Program 5/2017	3.24	- Older sibling of the person in 2 <sup>nd</sup> - Younger sibling of the person in 7 <sup>th</sup> - Aunt of the person in 12 <sup>th</sup>	2004 – Present	Director / Executive Director / Chief Financial Officer	Veranda Resort Public Company Limited
					<u>Subsidiaries</u>		
					2021 – Present	Director	Veranda pastry Co.,Ltd
					2019 – Present	Director	PDS Holding Co.,Ltd
					2015 – Present	Director	Veranda Cuisine Co.,Ltd
					2015 – Present	Director	The Isa Resort Co.,Ltd
					2013 – Present	Director	Veranda Beach Pattaya Co.,Ltd
					2012 – Present	Director	Oak Tree Realty Co.,Ltd
					2006 – Present	Director	Oak Tree Co.,Ltd
					<u>Other Companies</u>		
2561 – Present	Director	Hangiew Holding PTE. LTD.					
2561 – Present	Director	Vivat Investment Limited					
2555 – Present	Director	988 Plus Co.,Ltd					
2553 – Present	Director	Verawat incorporation Co.,Ltd					
2553 – Present	Director	BLP Holding Co.,Ltd					
2538 – Present	Director	Subvivat Construction Co.,Ltd					

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
7. Mrs.Napasorn Soonthornmanokul  - Director - Executive Director  Former Name Ms.Napasorn Ongvasith	66	- Diploma in Secretary, YWCA Vocational Training Institute  - Certificate of Thai Institute of Directors (IOD) in Director Accreditation Program (DAP) 137/2017	2.53	- Older sibling of persons in 2 <sup>nd</sup> and 6 <sup>th</sup>  - Aunt of the person in 12 <sup>th</sup>	2004 – Present	Director / Executive Director / Chief Financial Officer	Veranda Resort Public Company Limited
					<u>Subsidiaries</u>		
					2021 – Present	Director	Veranda pastry Co.,Ltd
					2019 – Present	Director	PDS Holding Co.,Ltd
					2015 – Present	Director	Veranda Cuisine Co.,Ltd
					2015 – Present	Director	The Isa Resort Co.,Ltd
					2013 – Present	Director	Veranda Beach Pattaya Co.,Ltd
					2012 – Present	Director	Oak Tree Realty Co.,Ltd
					2006 – Present	Director	Oak Tree Co.,Ltd
					<u>Other Companies</u>		
2013 – Present	Director	Executive Cinema Corporation Co.,Ltd					
2010 – Present	Director	Verawat incorporation Co.,Ltd					
2005 – Present	Director	BLP Holding Co.,Ltd					
2005 – Present	Director	VC Land Co.,Ltd					
1990 – Present	Director	Subvivat Construction Co.,Ltd					

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
8. Mr. Surasak Wongkiattavorn  - Director - Member of Risk Management Committee - Executive Director - Deputy Chief Executive Officer of Hotel operations  Former Name -	52	- Bachelor of Business Administration, Chulalongkorn University - Certificates of Thai Institute of Directors (IOD) in Director Accreditation Program (DAP) 137/2017 - TLCA Executive Development Program (EDP) Class of Year 2019: Building Regional Leaders	0.03	-	2004 – Present	Director / Executive Director / Deputy Chief Executive Officer of Hotel operations	Veranda Resort Public Company Limited
					<u>Subsidiaries</u>		
					2015 – Present	Director	The Isa Resort Co.,Ltd
					2013 – Present	Director	Veranda Beach Pattaya Co.,Ltd

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
9. Mr.Kittisak Sopchokchai  - Director - Member of Risk Management Committee  Former Name -	67	- Bachelor of Economics, Thammasat University  - Certificate of Thai Institute of Directors (IOD) in  - Director Accreditation Program (DAP)  54/2006	2.46	-	2018 – Present	Director	Veranda Resort Public Company Limited
					<u>Subsidiaries</u>		
					2008 – Present	Director	Oak Tree Co.,Ltd
					2011 – Present	Director	Oak Tree Realty Co.,Ltd
					<u>Other Companies</u>		
					2016 – Present	Director	Tonkoon Development Co.,Ltd
					2016 – Present	Director	Villanova Khaoyai Co.,Ltd
					2015 – Present	Director	Sureetriboon Development Co.,Ltd
					2010 – Present	Director	TOA Electronics (Thailand) Co.,Ltd
					2008 – Present	Director	Sureetriboon Holding Co.,Ltd
2006 – Present	Director	KSP Square Co.,Ltd					
2006 – Present	Director	Digit Control Co.,Ltd					
2003 – Present	Director / Nomination and Remuneration Committee	Advance Information Technology PCL.					
1996 – Present	Director	Audio Engineering Service Co.,Ltd					
1983 – Present	Chairman of The Board Director	Vichai Trading (1983) Co.,Ltd					
1985 – Present	Director	Sound System Co.,Ltd					

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
10. Mr. Siriwat Vongjarukorn	54	- Bachelor of Engineering, Chulalongkorn University	1.07	-	2017 – Present	Director / Nomination and Remuneration Committee	Veranda Resort Public Company Limited
- Director		- Honorary Doctorate Degree of Science in Information Technology, Sripatum University			<u>Other Companies</u>		
- Member of Nomination and Remuneration		- Certificates of Thai Institute of Directors (IOD) in			2021 – Present	Director	Omega Grid Co.,Ltd
		- Director Accreditation Program (DAP) 9/2004			2021 – Present	Director	Venture Lab Co.,Ltd
Former Name		- Director Certification Program (DCP) 42/2004			2021 – Present	Chairman of the Advisory Subcommittee	Rabbit Digital Group Co.,Ltd National Science Museum Organization
-					2020 – Present	Director	I2 Enterprise Co.,Ltd
					2017 – Present	Director	Angstrom Solutions Co.,Ltd
					2016 – Present	Director	Matichon PCL.
					2013 – Present	Director	Promp Now Co.,Ltd
					2011 – Present	Director	M.I.S. Outsourcing Co.,Ltd
					2005 – Present	Director	Pra In FinTech Co.,Ltd
					2003 – Present	Director / Chairman of Executives	MFEC PCL.

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
11. Ms.Ladda Somsiripornchai	56	- Bachelor of Accounting, Thammasat University	0.015	-	2016 – Present	Senior Vice President Accounting	Veranda Resort Public Company Limited
- Senior Vice President Accounting - Secretary of Audit Committee - Secretary of Risk Management Committee  Former Name -		- Master of Business Administration, Thammasat University - Certificates of Continuing Professional Development in - TFRS 1/2019 (Minor Course 301) in TFRS 15, TFRIC 17 - Financial Reporting Standards 3/2019 - TFRS 2/2019 (Minor Course 501) TFRS 16			<u>Other companies</u> 2010 – 2016	Central Accounting Senior Director	K.E, Retail Co.,Ltd

Full Name/ Position	Age	Academic Qualification/ Professional Certification	Shareholding Percentage	Family Relations	Work Experiences		
					Time Period	Positions	Company
12. Mr.Varut Tantiphipop  - Vice-President Corporate Finance - Investor Relations - Company Secretary  Former Name -	36	- Bachelor of Finance, Northern Illinois University	1.33	- Grandchild of Persons in 2 <sup>nd</sup> , 6 <sup>th</sup> and 7 <sup>th</sup>	2015 – Present	Vice-President Corporate Finance / Investor Relations / Company Secretary	Veranda Resort Public Company Limited
					<u>Subsidiaries</u>		
					2021 – Present	Director	Veranda Pastry
					2019 – Present	Director	PDS Holding
					2016 – Present	Director	Hua Hin Pool Suite
					2016 – Present	Director	Oak Tree
					2016 – Present	Director	Oak Tree Realty
2015 – Present	Director	The Isa Resort					
<u>Other Companies</u>							
2018 – Present	Director	Hung Jew Holding PTD.LTD					
2018 – Present	Director	Vivat Investment Limited					

\* Remarks: The calculation of shareholding percentage has been applied to an effective rate as of 31 December 2022

## Attachment 2

### Details of Directors of subsidiaries

As of 31 December 2022, details are as follows;

Name of Director  Subsidiaries	Oak Tree	The ISA Resort	Veranda Beach Pattaya	Veranda Cuisine	Huahin Pool Suite	Oaktree Realty	PDS Holding	Veranda Pastry
	1. Mr.Verawat Ongvasith	/	/	/	/		/	/
2. Mrs.Tosaporn Angsuwarangsi	/	/	/	/		/	/	/
3. Mr.Kittisak Sopchokchai	/					/		
4. Mrs.Napassorn Soonthornmanokul	/	/	/	/		/	/	/
5. Mrs.Penthipa Ongvasith		/	/		/			
6. Mrs.Pornnapus Ongvasith					/			
7. Mr.Surasak Wongkiatthavorn		/	/					
8. Mrs.Kanittha Ongvasith			/					
9. Mr.Varut Tantiphipop	/	/		/	/	/	/	/
10. Mr.Sakorn Suksriwong	/		/					
11. Mr.Piyalert Baiyok							/	
12. Ms.Paphavarin Chatkul Na Ayuttaya				/			/	/

Remark: / = Director

### Attachment 3

#### Details of the Company's Head of Internal Audit

##### **Mrs. Wimollak Punrattanapongs**

##### **Head of Internal Audit**

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##### **Education / Training**

- Master degree in MBA, Saint Louis University, USA
- Bachelor of Accounting, Thammasat University
- Certified Public Accountant (Thailand)
- Fraud Risk Assessment
- Data Analytics for Internal Auditor
- Tax Privilege and Accounting effect

##### **Work Experience**

2019 until now: Managing Director of Wynn Alliance Limited

1999 – 2019: Director of C A S Co., Ltd.

1996 – 1999: Director of Accounting Solution Co., Ltd.

1994 – 1999: Director of C A S Co., Ltd.

1989 – 1994: Officer of SGV Na Thalang Co., Ltd.

##### **License**

- Certified Public Accountant (Thailand) Number 4102

##### **Internal Audit:**

- Hemaraj Land and Development Public Company Limited
- T. KrungThai Industries Public Company Limited
- Power Solution Technology Public Company Limited
- Nice Apparel Company Limited
- Benz TalingChan Company Limited
- The Park Chidlom Condominium Juristic Person

**Business Assets**
**Main assets used in business operation**
**Property, Plant and equipment.**

As of 31<sup>st</sup> December 2022, the Company and its subsidiaries have main fixed assets such as land, land improvements and exterior decorations; buildings and building improvements; tools, appliances and equipment; furniture and fixtures; vehicles and assets under construction with the net book value of 3,366.17 million baht or 71.01 percent of the total assets as in the following details:

Property Types/Characteristics	Proprietary	Net Book Value (million baht)	Obligation
1. Land	The Company / HHP / VBP / ISA / OTR	1,172.61	Mortgage as collateral with a financial institution
2. Land improvements and exterior decorations	The Company / HHP / VBP / OKT / OTR	61.80	Mortgage as collateral with a financial institution
3. Buildings and building improvements	The Company / HHP / VBP / ISA / OTR / VCS / PDS / OKT make a long term lease of 32 years	1,633.82	Mortgage as collateral with a financial institution Mortgage as collateral with a financial institution
4. Tools, appliances, equipment	The Company / HHP / VBP / ISA / OKT / OTR / VCS / PDS / VPT	58.43	None
5. Furniture and fixtures	The Company / HHP / VBP / ISA / OKT / VCS / PDS	399.10	Mortgage as collateral with a financial institution
6. Vehicles	The Company / VBP / ISA / OKT / PDS	0.88	None
7. Assets under construction and installation	The Company / ISA / HHP / VBP	39.53	Mortgage as collateral with a financial institution
<b>Total</b>		<b><u>3,366.17</u></b>	

**Real Estate Development Costs**

As of 31<sup>st</sup> December 2022, the Company and its subsidiaries had the real estate development costs with the net book value of 465.02 million baht or 9.81 percent of the total assets as in the following details:

Project Name	Project Details	Net Book Value (million baht)	Appraisal Price (million baht)				Ownership	Obligation
			Appraisal Price	Appraisal Date	Appraised By	Remark		
1. Veranda High Resident Chiang Mai Project	7 rooms waiting for ownership transfer, in total of 890.32 square meters	31.94	87.70	13 <sup>th</sup> September 2018	Prospec Appraisal Company Limited	Estimated price including construction cost	The Company	None
2. Veranda Residence Pattaya Project	6 rooms waiting for ownership transfer, in total of 339.08 square meters	4.16	1,159.00	27 <sup>th</sup> April 2018	Agency for Real Estate Affairs Company Limited	Estimated price including construction cost	VBP	Mortgage as collateral with a financial institution
3. Veranda Residence Hua Hin Project	151 rooms waiting for ownership transfer, in total of 10,145.04 square meters.	213.74	501.80	19 <sup>th</sup> April 2018	Agency for Real Estate Affairs Company Limited	Estimated price including construction cost	The Company	Mortgage as collateral with a financial institution
4. Veranda Residence Phuket Project	The project is under the design with an area of approximately 3 rai.	163.54	-	-	-	-	The Company	Mortgage as collateral with a financial institution
5. Veranda Residence Pool Villas Huahin-Cha Am	The project is under construction with an area of approximately 1 rai.	51.64					The Company / HHP	None
<b>Total</b>		<b>465.02</b>	<b>1,748.50</b>					

### Investment Property

As of 31<sup>st</sup> December 2022, the Company was the owner of a land with the net book value of 12.50 million baht. The land was adjacent to the Veranda Collection Samui – Rocky Resort, with a total area of 4 rai, 1 ngan, 23.6 square wah. The appraised price as of 10<sup>th</sup> October 2022 by the Prospec Appresion Company Limited was 27.58 million baht. The Company had mortgaged such land as collateral with a financial institution.

### Right-of-use assets/Leasehold

As of 31<sup>st</sup> December 2022, the Company and its subsidiaries had a right-to-use assets/leasehold of land, buildings, equipment, and vehicles with the net book value of 262.58 million baht or 5.54 percent of the total assets as in the following details:

Branch/Location	Period of Lease Agreement	Net Book Value (million baht)	Obligation
Land lease in Bang Rak District, Bangkok, totalling 2 rai, 1 ngan, and 37 square wah for the location of the SO Bangkok Hotel.	35 years Ended in 2044	174.83	Mortgage as collateral with a financial institution
Land lease in Na Chom Thian Sub-District, Sattahip District, Chonburi Province, totalling 6 rai, 45 square wah for the location of the Skoop, a parking lot and a recreational area.	3 years Ended in 2022	12.05	None
Land lease in Nong Kae Sub-district, Hua Hin District, Prachuap Khiri Khan Province, totalling 2 rai, 3 ngan, and 11.20 square wah for a parking lot of the Skoop and Verso Hotel Hua Hin.	4 years Ended in 2024	0.87	None
Space lease of 122.05 square meters at Siam Paragon Shopping Centre for the location of the Gram Pancakes.	3 years Ended in 2024	24.94	None
Space lease of 148 square meters at J Avenue Thonglor for the location of the KOF and the Gram Pancakes.	6 years. Ended in 2024 and 2025	3.51	None
Space lease of 18.75 square meters at the Little Walk Bangna for the location of the Gram Pancakes.	3 years Ended in 2023	0.19	None
Space lease of 147.73 square meters at The Circle Ratchapruek for the location of the Gram Pancakes.	3 years Ended in 2023	2.07	None
Space lease of 48.4 square meters at La Villa for the location of the KOF and Gram Pancakes	3 years Ended in 2023	3.00	None
Space lease of 88 square meters at Krungthep Kreetha Center for the location of the KOF and Gram Pancakes	3 years Ended in 2024	1.85	None
Space lease of 1,389 square meters on the 27th Floor at the Rasa Tower 2 for the location of the office.	3 years Ended in 2025	21.96	None
Space lease of 381 square meters at Building No. 178/7, Ratchada Road, Chatuchak District, Bangkok for the location of the office.	3 years Ended in 2023	10.16	None

Branch/Location	Period of Lease Agreement	Net Book Value (million baht)	Obligation
Equipment leasing for the operations.	4 years Ended in 2023	0.08	None
Vehicle leasing to use in the operations.	4-5 years Ended in 2023, 2024 and 2027	0.12	None
<b>Total</b>		<b><u>280.07</u></b>	

### Intangible assets

As of 31<sup>st</sup> December 2022 The Company and its subsidiaries had intangible assets with the net book value of 82.21 million baht or 1.73 percent of the total assets as in the following details:

Trademark / Copy right	Owner	Net Book Value (million baht)	Remark
1. Software	The Company / VBP / OKT / VCS / ISA / PDS	9.68	-
2. Trademarks	OKT / VCS	5.85	-
3. Franchise	VCS / PDS	66.68	-
<b>total</b>		<b><u>82.21</u></b>	

**Trademarks**

As of 31<sup>st</sup> December 2022, The Company and its subsidiaries have owned the trademark 13 items as follows;

Trademarks	Registration No.	owner	Services	Timing	Remark
	181122497	The Company	Real estate development, Condominium for sale and rent Condominium management Construction of condominiums, hotels, health care facilities	8 Jun. 2017 – 7 Jun. 2027	
	181122499	The Company	Hotel	21 Jun. 2017 – 20 Jun. 2027	
	191113125	The Company	Hotel	21 Jun. 2017 – 20 Jun. 2027	
	181122498	The Company	Food & Beverage	21 Jun. 2017 – 20 Jun. 2027	
	181124723	The Company	Food & Beverage	28 Jun. 2017 – 27 Jun. 2027	
	191106673	The Company	Food & Beverage	15 Dec.2017 – 14 Dec.2027	
	Bor55444	OKT	Food & Beverage	13 Dec.2021 – 13 Dec.2031	
	Bor55445	OKT	Food & Beverage	14 Dec.2021 – 13 Dec.2031	

Trademarks	Registration No.	owner	Services	Timing	Remark
	201124346	ISA	Hotel	27 Mar.2010 - 26 Mar.2030	
	171127172	VCS	Food & Beverage	12 Feb 2016 - 11 Feb 2026	
	191101773	The Company	Food & Beverage	15 Sep. 2017 - 14 Sep 2027	
	Request No. 210110924	VCS	Food & Beverage	28 Jun 2022 - 22 Mar 2031	
	Request No. 210114227	OKT	Food & Beverage	27 Jun 2022 - 19 Apr 2031	

Note: This trademark is valid for 10 years from the date of registration.

## Policy and practice guidelines for corporate governance and code of conduct

Veranda Report Public Company Limited has disclosure full version of the Policies and Practice guidelines for corporate governance and code of conduct on the Company's website. In this regard, shareholders, investors and interested persons You can view the information at [https://www.verandaresort.com/ir\\_index.php](https://www.verandaresort.com/ir_index.php). The details are followings;

- Corporate Governance Policy  
[https://www.verandaresort.com/ir\\_index.php?corporate\\_governance](https://www.verandaresort.com/ir_index.php?corporate_governance)
- Anti-Corruption Policy  
[https://www.verandaresort.com/ir\\_index.php?anti\\_corruption](https://www.verandaresort.com/ir_index.php?anti_corruption)
- Risk Management Policy  
[https://www.verandaresort.com/ir\\_index.php?risk\\_management](https://www.verandaresort.com/ir_index.php?risk_management)
- Corporate Social Responsibility Policy  
[https://www.verandaresort.com/ir\\_index.php?csr](https://www.verandaresort.com/ir_index.php?csr)
- Sustainable Policy  
[https://www.verandaresort.com/ir\\_index.php?csr](https://www.verandaresort.com/ir_index.php?csr)
- Internal Control Policy  
[https://www.verandaresort.com/ir\\_index.php?corporate\\_governance](https://www.verandaresort.com/ir_index.php?corporate_governance)
- Charter of the Board of Directors and Sub-Committee  
[https://www.verandaresort.com/ir\\_index.php?charter\\_committee](https://www.verandaresort.com/ir_index.php?charter_committee)
- Code of Conduct  
[https://www.verandaresort.com/ir\\_index.php?ethics](https://www.verandaresort.com/ir_index.php?ethics)



PUBLIC COMPANY LIMITED

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