

**Policy on Investment in Subsidiary and Associate Companies
S Hotels and Resorts Public Company Limited**

Policy on Investment in Subsidiary and Associate Companies

S Hotels and Resorts Public Company Limited (the “**Company**”) is managed in conformity with the guidelines for corporate governance of listed companies. In making investments, not only will the Company take into account the returns for all stakeholders of the investment in such business, but also place considerable importance on compliance with the principles of corporate governance of the Stock Exchange of Thailand (the “**SET**”) and the Office of the Security and Exchange Commission (the “**SEC Office**”). As such, to comply with the criteria on the supervision of subsidiaries and associate companies, under the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 Re: Application for Approval and Granting of Approval of Offering of Newly Issued Shares, as well as the corporate governance guidelines of the SET, the Company has determined this Policy on Investment in Subsidiary and Associate Companies with the details as follows:

The Company has the policy to invest in subsidiary or associate companies which are aligned with the Company’s goals, vision, and strategic plans for the business growth in order to increase the Company’s operating performance or profit, or to invest in businesses that create synergy, which would boost the Company’s ability to stay competitive, and enable it to achieve leadership in its core business. In this regard, the subsidiary and associate companies may consider investing in other businesses if they prove beneficial for their growth capability, business expansion, or for the best interest of the group companies, and would generate good returns on investment. The Company shall ensure a regulatory mechanism which will allow it to supervise and account for the operation of its subsidiary companies as though they are units of the Company itself, as well as a suitable and sufficiently secure measure to monitor the management of and an internal control system for the subsidiary companies, so as to safeguard the Company’s investment, in accordance with the prescribed criteria, whereby the Company deems that they shall create synergy, increase revenue channels, and increase its profitability. Before going through with investment in a project, the Company shall consider the investment ratio, expected profit, potential risks, and its financial status, with an appropriate analytical procedure. Such investment shall also be subject to consideration and approval by the Board of Directors or the Meeting of Shareholders (as the case may be), with the application for approval of which being subject to the relevant notifications of the Capital Market Supervisory Board and the SET. In addition, the Company shall appoint its capable and experienced representatives to join the companies’ Board of Directors, the structure of which shall at least be in accordance with the shareholding ratio, so that the Company can determine important policies and supervise the operations of such subsidiary and associate companies.

Moreover, the Company has the policy to monitor the management of the subsidiary and associate companies, for the purpose of safeguarding its investment, by requiring the subsidiary and affiliate companies to submit monthly operating reports and quarterly financial statements audited by certified external auditors, including their supporting data used in the preparation of



such financial statements. The companies shall also consent to the Company's use of such data to prepare its own quarterly or annual consolidated financial statements or reports of operating results, as the case may be, and shall have the duty to report any significant financial issues to the Company upon discovery or request from the Company to inspect and report such issues, as well as the duty to prepare comprehensive and accurate reports on related-party transactions, acquisition and disposal of assets, and other matters of the companies.

Announced on 3 May 2019

- *Mr. Sompong Tantapart* -
Chairman of the Board of Directors
S Hotels and Resorts Public Company Limited