

S HOTELS AND RESORTS PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2023

Independent Auditor's Report

To the Shareholders of S Hotels and Resorts Public Company Limited

My opinion

In my opinion, the consolidated financial statements and separate financial statements present fairly, in all material respects, the consolidated financial position of S Hotels and Resorts Public Company Limited (the Company) and its subsidiaries (the Group), and the separate financial position of the Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for my opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Impairment assessment of goodwill. The matter was 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 the matter.

Key audit matter

How my audit addressed the key audit matter

Impairment assessment of goodwill

Refer Note 7, Critical accounting estimates and judgements and Note 16 Goodwill.

As at 31 December 2023, the Group had goodwill of Baht 1,628 million contributing to 4% of total assets in the consolidated financial statements. Goodwill arose from the acquisition of hospitality businesses in Thailand and overseas including Republic of Maldives, Republic of Mauritius, Republic of Fiji and United Kingdom.

Management tests impairment of goodwill annually. The impairment test is performed at the level of the cash generating unit (CGU) and computed its recoverable amount by applying a value-in-use model. This model involves significant judgements made by the management in respect to the future operating results of businesses, projected cash flows, growth rate and discount rate. As a result of impairment testing, the Group did not recognise the impairment loss of goodwill in the consolidated financial statements of 2023.

I focussed on the impairment assessment of goodwill because its significant value and the fact that the determination of recoverable amount depends on a number of assumptions. Those assumptions involve significant judgement made by management in assessing the possibility of future business plans.

I performed the following key procedures to assess the impairment of goodwill tested by the Group's management:

- assessed the appropriateness of management's identification of the Group's CGU including goodwill by inquiring and observing how the information is collected and segregated comparing to the accounting data.
- inquired management to understand the inputs and assumptions used in the impairment testing of goodwill and assessed the key data and assumptions used in the impairment testing process.
- inquired and challenged management's significant assumptions applied in the impairment testing of goodwill, specifically the business plan and the projected future cash flows including the occupancy rate, growth rate and discount rate, and also checked whether they were in line with the business volatility. I compared those inputs and assumptions to the appropriate published information of the industry.
- inquired and assessed the reasonableness of the business plan and estimated future cash flows in 2023 by comparing them with actual results.
- regarding the goodwill arose from the acquisition of hospitality business in United Kingdom, I planned the audit of the consolidation purpose and communicated it to the component auditor in the United Kingdom who performed audit over the subsidiaries' financial information. I understood and evaluated the work of the auditor to obtain sufficient and appropriate audit evidence of the estimated future cash flows for the impairment testing of the group of assets arisen from the hospitality businesses in United Kingdom. I also evaluated the qualification, competency, and independence of the component auditor.
- performed a sensitivity analysis of the key assumptions used in impairment testing to consider the potential impact of a material change in those assumptions would make on the impairment assessment of goodwill.

As a result of these procedures, I found that management's determination is reasonable based on the available evidence.

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

The audit committee assists the directors in discharging their responsibility for overseeing the Group's and the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Rodjanart Banyatananusard
Certified Public Accountant (Thailand) No. 8435
Bangkok
21 February 2024

S Hotels and Resorts Public Company Limited

Statement of Financial Position

As at 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023 Baht	2022 Baht	2023 Baht	2022 Baht
Assets					
Current assets					
Cash and cash equivalents	9	2,216,334,109	2,477,332,055	325,693,233	28,454,573
Financial assets measured at fair value through profit or loss	6	-	2,049,026	-	6,467
Trade and other receivables, net	10	534,555,821	501,355,520	1,376	164,731
Short-term loan to a related party	27	21,922,000	-	-	-
Inventories		230,951,405	228,505,793	-	-
Amounts due from related parties	27	34,053,150	38,122,558	393,525,558	369,200,132
Current portion of financial lease receivable - a related party, net	27	18,348,069	7,741,978	-	-
Group of non-current assets classified as held-for-sale, net	11	360,745,134	979,696,574	-	-
Other current assets		354,932,066	298,161,691	33,044,709	32,449,204
Total current assets		3,771,841,754	4,532,965,195	752,264,876	430,275,107
Non-current assets					
Restricted bank deposits		45,209,324	16,845,411	-	-
Investments in an associate and joint ventures	12	274,708,557	371,850,849	-	-
Investments in subsidiaries	13	-	-	16,835,649,210	16,835,649,210
Financial lease receivable - a related party, net	27	264,463,922	224,559,386	-	-
Long-term loans to related parties	27	489,393,190	331,893,550	6,220,717,304	4,886,419,725
Investments properties	14	480,972,437	922,188,148	-	-
Property, plant and equipment, net	15	30,414,394,150	28,045,953,198	3,922,572	4,230,933
Goodwill, net	16	1,627,700,580	1,629,586,347	-	-
Intangible assets, net		77,221,106	81,061,069	4,369,592	4,352,621
Derivative assets	6	52,604,508	105,290,167	-	-
Deferred income tax assets	17	187,278,287	94,848,982	3,084,443	2,363,309
Other non-current assets		36,915,700	92,556,588	6,067,399	1,248,749
Total non-current assets		33,950,861,761	31,916,633,695	23,073,810,520	21,734,264,547
Total assets		37,722,703,515	36,449,598,890	23,826,075,396	22,164,539,654

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

S Hotels and Resorts Public Company Limited

Statement of Financial Position

As at 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	18	1,666,948,275	1,710,634,057	48,086,954	20,476,617
Amounts due to related parties	27	90,008,653	23,351,528	104,278,229	17,276,494
Short-term borrowing from a related party	27	-	-	897,600,000	557,600,000
Current portion of long-term borrowings, net	19	1,386,331,283	1,952,025,507	454,788,116	436,282,237
Current portion of lease liabilities, net	21	106,579,379	79,767,046	980,961	989,212
Income tax payables		50,751,111	16,059,267	2,283,789	-
Retention payables		21,131,268	15,020,401	-	-
Other current liabilities		187,211,032	378,949,232	2,637,917	2,510,166
Total current liabilities		3,508,961,001	4,175,807,038	1,510,655,966	1,035,134,726
Non-current liabilities					
Long-term borrowings, net	19	11,255,238,576	11,128,136,769	3,702,767	225,294,441
Debentures, net	20	1,290,228,524	-	1,290,228,524	-
Lease liabilities, net	21	3,968,606,720	3,514,186,726	960,790	1,739,905
Deferred income tax liabilities	17	1,386,572,755	1,263,942,072	-	-
Derivative liability	6	4,602,906	-	-	-
Employee benefit obligations		52,369,421	48,271,570	20,186,655	16,488,601
Other non-current liabilities		165,076,165	300,085,463	26,400	-
Total non-current liabilities		18,122,695,067	16,254,622,600	1,315,105,136	243,522,947
Total liabilities		21,631,656,068	20,430,429,638	2,825,761,102	1,278,657,673

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

S Hotels and Resorts Public Company Limited
Statement of Financial Position
As at 31 December 2023

	Note	Consolidated financial statements		Separate financial statements	
		2023 Baht	2022 Baht	2023 Baht	2022 Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
Ordinary shares 3,593,640,000 shares					
at par value of Baht 5 each					
(31 December 2022: Ordinary Shares					
3,663,640,000 shares					
at par values of Baht 5 each)					
	22	17,968,200,000	18,318,200,000	17,968,200,000	18,318,200,000
Issued and paid-up share capital					
Ordinary shares 3,593,640,000 shares					
at paid-up of Baht 5 each					
	22	17,968,200,000	17,968,200,000	17,968,200,000	17,968,200,000
	22	2,917,681,981	3,335,183,869	2,917,681,981	3,335,183,869
Discount from business transferred					
under common control					
		(2,119,140,909)	(2,119,140,909)	-	-
	22	-	43,754,206	-	43,754,206
		(3,155,242,070)	(3,702,905,034)	114,432,313	(461,256,094)
		479,548,445	494,077,120	-	-
Total equity		16,091,047,447	16,019,169,252	21,000,314,294	20,885,881,981
Total liabilities and equity		37,722,703,515	36,449,598,890	23,826,075,396	22,164,539,654

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

S Hotels and Resorts Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
Revenue from hospitality business and other related services		9,701,079,185	8,692,553,854	-	-
Revenue from management services		-	-	108,475,508	88,664,064
Costs of hospitality business and other related services		(6,326,416,542)	(5,807,442,940)	-	-
Costs of management services		-	-	(51,310,716)	(51,985,762)
Gross profit		3,374,662,643	2,885,110,914	57,164,792	36,678,302
Other income	23	395,675,364	131,734,592	166,099,509	110,504,312
Dividend income from a subsidiary	27	-	-	129,441,540	-
Selling expenses		(441,271,108)	(352,257,033)	(4,662,863)	(3,212,709)
Administrative expenses		(1,934,475,652)	(1,795,123,636)	(155,340,781)	(117,600,216)
Finance costs		(1,123,879,070)	(841,610,678)	(102,579,161)	(29,252,584)
Net gain (loss) on exchange rate		(4,777,541)	20,969,007	34,669,196	(87,651,692)
Share of loss from an associate and joint ventures		(88,213,613)	(21,465,125)	-	-
Profit (loss) before income taxes		177,721,023	27,358,041	124,792,232	(90,534,587)
Income tax	25	(91,314,153)	(12,975,791)	(10,359,919)	(1,052,094)
Profit (loss) for the year		86,406,870	14,382,250	114,432,313	(91,586,681)
Other comprehensive income (expense), net of taxes					
Items that will be reclassified subsequently to profit or loss					
- Cash flow hedges	5.1.1	(58,196,671)	117,282,396	-	-
- Currency translation differences		31,403,627	31,132,386	-	-
- Income tax relating to items that will be reclassified subsequently to profit or loss		12,264,369	(25,485,932)	-	-
Total items that will be reclassified subsequently to profit or loss, net of taxes		(14,528,675)	122,928,850	-	-
Other comprehensive income (expense) for the year, net of taxes		(14,528,675)	122,928,850	-	-
Total comprehensive income (expense) for the year		71,878,195	137,311,100	114,432,313	(91,586,681)

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

S Hotels and Resorts Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2023

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
Profit (loss) attributable to:					
Owners of the parent		86,406,870	14,382,250	114,432,313	(91,586,681)
Non-controlling interests		-	-	-	-
		<u>86,406,870</u>	<u>14,382,250</u>	<u>114,432,313</u>	<u>(91,586,681)</u>
Total comprehensive income (expense)					
attributable to:					
Owners of the parent		71,878,195	137,311,100	114,432,313	(91,586,681)
Non-controlling interests		-	-	-	-
		<u>71,878,195</u>	<u>137,311,100</u>	<u>114,432,313</u>	<u>(91,586,681)</u>
Earnings (loss) per share					
Basic earnings (loss) per share	26	0.024	0.004	0.032	(0.025)

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