

**Central Plaza Hotel Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month and nine-month periods ended
30 September 2016

and

Independent auditor's report on review of interim financial
information

Independent auditor’s report on review of interim financial information

To the Board of Directors of Central Plaza Hotel Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Central Plaza Hotel Public Company Limited and its subsidiaries, and of Central Plaza Hotel Public Company Limited, respectively, as at 30 September 2016; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016; the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 2016; and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”.

Emphasis of Matter

Without qualifying my conclusion, I draw attention to note 3 a) 2) to the interim financial information describes the uncertainties over the rental rate consequent to the extension of a sublease agreement between a subsidiary and an associate which expired in September 2014. The subsidiary has continued to process and operate the hotel since the expiry of the agreement.

(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok
10 November 2016

Central Plaza Hotel Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2016 (Unaudited)	31 December 2015	30 September 2016 (Unaudited)	31 December 2015
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		1,056,663	448,314	28,255	39,946
Trade and other receivables	4	837,127	923,112	245,933	310,246
Short-term loans to other parties		101,214	109,685	-	-
Short-term loans to related parties	3	-	-	833,000	597,200
Inventories		707,320	675,074	24,586	25,421
Other current assets		194,907	179,218	33,141	44,404
Total current assets		2,897,231	2,335,403	1,164,915	1,017,217
Non-current assets					
Investment in an associate	5	633,181	626,109	619,767	626,109
Investments in subsidiaries	6	-	-	5,602,582	5,132,582
Other long-term investments		1,066	1,030	-	-
Long-term loans to related parties	3	-	-	2,846,620	2,820,690
Investment properties		428,982	441,014	267,160	276,823
Property, plant and equipment		18,403,017	18,915,481	4,208,085	4,275,989
Goodwill		314,602	314,602	-	-
Leasehold rights		543,368	730,138	22,944	101,092
Other intangible assets		370,877	384,909	17,253	22,975
Deferred tax assets		107,239	166,569	52,236	74,257
Other non-current assets		531,269	528,244	8,130	12,739
Total non-current assets		21,333,601	22,108,096	13,644,777	13,343,256
Total assets		24,230,832	24,443,499	14,809,692	14,360,473

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

Central Plaza Hotel Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
Liabilities and equity	<i>Note</i>	2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Bank overdrafts and short-term loans					
from financial institutions		375,365	465,543	202,062	257,479
Trade and other payables	8	2,245,417	2,469,030	342,923	348,039
Current portion of long-term loans					
from financial institutions		121,450	756,786	-	288,000
Current portion of debentures		1,000,000	3,300,000	1,000,000	3,300,000
Short-term loans from other parties		-	1,804	-	-
Short-term loans from related parties	3	64,287	66,860	633,800	661,900
Current portion of finance lease liabilities		-	5,861	-	4,974
Current portion of deferred income		176,798	177,183	89,528	91,836
Income tax payable		101,241	159,103	311	13,572
Other current liabilities		169,065	207,973	30,124	51,643
Total current liabilities		4,253,623	7,610,143	2,298,748	5,017,443
<i>Non-current liabilities</i>					
Long-term loans from financial institutions		1,578,845	2,402,707	-	66,000
Debentures		4,977,958	1,698,670	4,977,959	1,698,670
Finance lease liabilities		-	318	-	-
Deferred income		2,248,790	2,328,176	1,056,310	1,093,957
Deferred tax liabilities		158,133	131,742	-	-
Employee benefit obligations		217,094	199,539	68,088	63,896
Provision for decommissioning		94,836	91,354	-	-
Other non-current liabilities		21,232	26,587	16,043	12,642
Total non-current liabilities		9,296,888	6,879,093	6,118,400	2,935,165
Total liabilities		13,550,511	14,489,236	8,417,148	7,952,608

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Central Plaza Hotel Public Company Limited and its Subsidiaries

Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
Liabilities and equity		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Equity					
Share capital					
Authorised share capital		1,350,000	1,350,000	1,350,000	1,350,000
Issued and paid-up share capital		1,350,000	1,350,000	1,350,000	1,350,000
Premium on ordinary shares		970,000	970,000	970,000	970,000
Retained earnings					
Appropriated					
Legal reserve		158,080	158,080	158,080	158,080
Unappropriated		7,311,731	6,552,984	3,914,464	3,929,785
Other components of equity		196,795	226,741	-	-
Equity attributable to owners					
of the Company					
		9,986,606	9,257,805	6,392,544	6,407,865
Non-controlling interests		693,715	696,458	-	-
Total equity		10,680,321	9,954,263	6,392,544	6,407,865
Total liabilities and equity		24,230,832	24,443,499	14,809,692	14,360,473

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

Central Plaza Hotel Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		30 September		30 September	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
<i>Income</i>					
Revenues from hotel operations					
and related services		2,036,559	1,897,952	517,174	519,531
Revenues from food and beverage		2,604,412	2,468,437	-	-
Rental income		28,825	28,859	12,687	12,687
Dividend income	3	-	-	346,644	314,900
Other income		73,361	140,538	72,903	154,219
Total income		4,743,157	4,535,786	949,408	1,001,337
<i>Expenses</i>					
Cost of sales - hotel operations					
and related services		1,442,601	1,355,878	342,224	352,832
Cost of sales - food and beverage		1,402,849	1,343,711	-	-
Selling expenses		181,602	202,684	51,168	63,010
Administrative expenses		1,248,320	1,180,172	116,474	124,556
Finance costs		71,528	97,149	46,481	57,622
Total expenses		4,346,900	4,179,594	556,347	598,020
Share of profit of investment in an associate		12,037	10,427	-	-
Profit before income tax expense		408,294	366,619	393,061	403,317
Income tax expense	11	(84,759)	(61,941)	(6,574)	(29,277)
Profit for the period		323,535	304,678	386,487	374,040

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

Central Plaza Hotel Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended 30 September		Three-month period ended 30 September	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss</i>					
Gain (loss) on foreign currency translation for foreign operations		(13,467)	34,431	-	-
Net change in fair value of available-for-sale investments		(21)	(25)	-	-
Other comprehensive income for the period, net of income tax		(13,488)	34,406	-	-
Total comprehensive income for the period		310,047	339,084	386,487	374,040
Profit attributable to:					
Owners of the Company		321,942	293,595	386,487	374,040
Non-controlling interests		1,593	11,083	-	-
Profit for the period		323,535	304,678	386,487	374,040
Total comprehensive income attributable to:					
Owners of the Company		311,824	319,288	386,487	374,040
Non-controlling interests		(1,777)	19,796	-	-
Total comprehensive income for the period		310,047	339,084	386,487	374,040
Basic earnings per share (in Baht)	<i>12</i>	0.24	0.22	0.29	0.28

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Central Plaza Hotel Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
<i>Income</i>					
Revenues from hotel operations					
and related services		6,670,099	6,324,035	1,629,124	1,626,839
Revenues from food and beverage		7,934,101	7,501,152	-	-
Rental income		85,788	85,753	37,647	37,647
Dividend income	3, 5, 6	-	-	406,781	395,199
Other income		252,221	331,840	398,021	496,464
Total income		14,942,209	14,242,780	2,471,573	2,556,149
<i>Expenses</i>					
Cost of sales - hotel operations					
and related services		4,294,042	4,077,395	1,051,137	1,042,216
Cost of sales - food and beverage		4,253,127	4,055,662	-	-
Selling expenses		626,535	608,044	190,317	183,312
Administrative expenses		3,744,168	3,498,789	367,435	362,714
Finance costs		232,417	293,983	144,039	179,080
Total expenses		13,150,289	12,533,873	1,752,928	1,767,322
Share of profit of investment in an associate	5	63,530	38,536	-	-
Profit before income tax expense		1,855,450	1,747,443	718,645	788,827
Income tax expense	11	(349,479)	(306,153)	(59,092)	(84,077)
Profit for the period		1,505,971	1,441,290	659,553	704,750

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

Central Plaza Hotel Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss</i>					
Gain (loss) on foreign currency translation for foreign operations		(40,039)	66,869	-	-
Net change in fair value of available-for-sale investments		28	5	-	-
Other comprehensive income for the period, net of income tax		(40,011)	66,874	-	-
Total comprehensive income for the period		1,465,960	1,508,164	659,553	704,750
Profit attributable to:					
Owners of the Company		1,433,621	1,373,671	659,553	704,750
Non-controlling interests		72,350	67,619	-	-
Profit for the period		1,505,971	1,441,290	659,553	704,750
Total comprehensive income attributable to:					
Owners of the Company		1,403,675	1,423,556	659,553	704,750
Non-controlling interests		62,285	84,608	-	-
Total comprehensive income for the period		1,465,960	1,508,164	659,553	704,750
Basic earnings per share (in Baht)	<i>12</i>	1.06	1.02	0.49	0.52

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

Central Plaza Hotel Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements											
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity			Equity attributable to owners of the Company	Non-controlling interests	Total equity	
				Legal reserve	Unappropriated	Currency translation differences	Net change in fair value of available-for-sale investments	Change in ownership interests in a subsidiary				Total other components of equity
<i>(in thousand Baht)</i>												
Nine-month period ended 30 September 2015												
Balance at 1 January 2015		1,350,000	970,000	158,080	5,467,921	3,612	604	143,422	147,638	8,093,639	637,844	8,731,483
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the Company</i>												
Dividends to owners of the Company	13	-	-	-	(540,000)	-	-	-	-	(540,000)	-	(540,000)
Dividends paid from a subsidiary		-	-	-	-	-	-	-	-	-	(54,036)	(54,036)
Total distributions to owners of the Company		-	-	-	(540,000)	-	-	-	-	(540,000)	(54,036)	(594,036)
Total transactions with owners, recorded directly in equity		-	-	-	(540,000)	-	-	-	-	(540,000)	(54,036)	(594,036)
Comprehensive income for the period												
Profit or loss		-	-	-	1,373,671	-	-	-	-	1,373,671	67,619	1,441,290
Other comprehensive income		-	-	-	-	49,880	5	-	49,885	49,885	16,989	66,874
Total comprehensive income for the period		-	-	-	1,373,671	49,880	5	-	49,885	1,423,556	84,608	1,508,164
Balance at 30 September 2015		1,350,000	970,000	158,080	6,301,592	53,492	609	143,422	197,523	8,977,195	668,416	9,645,611

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

Central Plaza Hotel Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements											
	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity			Equity attributable to owners of the Company	Non-controlling interests	Total equity	
				Legal reserve	Unappropriated	Currency translation differences	Net change in					Total other components of equity
							fair value of available-for-sale investments	Change in ownership interests in a subsidiary				
<i>(in thousand Baht)</i>												
Nine-month period ended 30 September 2016												
Balance at 1 January 2016		1,350,000	970,000	158,080	6,552,984	82,566	753	143,422	226,741	9,257,805	696,458	9,954,263
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the Company</i>												
Dividends to owners of the Company	13	-	-	-	(674,874)	-	-	-	-	(674,874)	-	(674,874)
Dividends paid from subsidiaries		-	-	-	-	-	-	-	-	-	(65,028)	(65,028)
Total distributions to owners of the Company		-	-	-	(674,874)	-	-	-	-	(674,874)	(65,028)	(739,902)
Total transactions with owners, recorded directly in equity		-	-	-	(674,874)	-	-	-	-	(674,874)	(65,028)	(739,902)
Comprehensive income for the period												
Profit or loss		-	-	-	1,433,621	-	-	-	-	1,433,621	72,350	1,505,971
Other comprehensive income		-	-	-	-	(29,974)	28	-	(29,946)	(29,946)	(10,065)	(40,011)
Total comprehensive income for the period		-	-	-	1,433,621	(29,974)	28	-	(29,946)	1,403,675	62,285	1,465,960
Balance at 30 September 2016		1,350,000	970,000	158,080	7,311,731	52,592	781	143,422	196,795	9,986,606	693,715	10,680,321

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

Central Plaza Hotel Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements			Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	
			Legal reserve	Unappropriated	
			<i>(in thousand Baht)</i>		
Nine-month period ended 30 September 2015					
Balance at 1 January 2015		1,350,000	970,000	158,080	3,382,021
Transaction with owners, recorded directly in equity					
<i>Distribution to owners of the Company</i>					
Dividends to owners of the Company	13	-	-	(540,000)	(540,000)
Total distribution to owners of the Company		-	-	(540,000)	(540,000)
Total transaction with owners, recorded directly in equity		-	-	(540,000)	(540,000)
Comprehensive income for the period					
Profit or loss		-	-	704,750	704,750
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	704,750	704,750
Balance at 30 September 2015		1,350,000	970,000	158,080	3,546,771
					6,024,851

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

Central Plaza Hotel Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements			Total equity	
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
			Legal reserve	Unappropriated		
			<i>(in thousand Baht)</i>			
Nine-month period ended 30 September 2016						
Balance at 1 January 2016		1,350,000	970,000	158,080	3,929,785	6,407,865
Transaction with owners, recorded directly in equity						
<i>Distribution to owners of the Company</i>						
Dividends to owners of the Company	13	-	-	-	(674,874)	(674,874)
Total distribution to owners of the Company		-	-	-	(674,874)	(674,874)
Total transaction with owners, recorded directly in equity		-	-	-	(674,874)	(674,874)
Comprehensive income for the period						
Profit or loss		-	-	-	659,553	659,553
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	659,553	659,553
Balance at 30 September 2016		1,350,000	970,000	158,080	3,914,464	6,392,544

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

Central Plaza Hotel Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the period		1,505,971	1,441,290	659,553	704,750
<i>Adjustments</i>					
Doubtful debts expense (reversal of)	4	(256)	3,072	(53)	(479)
Reversal of loss on decline in value of inventory		(1,846)	(339)	-	-
Depreciation and amortisation		1,416,255	1,317,459	236,884	237,639
Reversal of impairment losses on assets		(34,816)	(21,861)	-	-
Loss on disposals of plant and equipment		73,463	41,465	9,153	6,973
Loss from written off software licence		1,527	15	-	-
Share of profit of investment in an associate	5	(63,530)	(38,536)	-	-
Finance costs		232,417	293,983	144,039	179,080
Realisation of deferred income		(164,209)	(169,397)	(102,561)	(106,539)
Dividend income		-	-	(406,781)	(395,199)
Income tax expense		349,479	306,153	59,092	84,077
		<u>3,314,455</u>	<u>3,173,304</u>	<u>599,326</u>	<u>710,302</u>
<i>Changes in operating assets and liabilities</i>					
Trade and other receivables		86,241	75,378	64,366	38,594
Inventories		(30,400)	18,303	835	840
Other current assets		(29,927)	(13,308)	11,263	(1,276)
Other non-current assets		(10,238)	(9,074)	374	184
Trade and other payables		(141,959)	(247,161)	23,348	25,303
Other current liabilities		(38,908)	(52,740)	(21,519)	(11,469)
Deferred income		84,437	77,545	62,606	63,722
Employee benefit obligations		17,555	2,146	4,192	(1,371)
Decommissioning paid		(3,524)	(2,738)	-	-
Other non-current liabilities		81,440	31,738	3,401	9,995
Cash generated from operating activities		<u>3,329,172</u>	<u>3,053,393</u>	<u>748,192</u>	<u>834,824</u>
Income tax paid		<u>(304,316)</u>	<u>(246,000)</u>	<u>(50,341)</u>	<u>(47,052)</u>
Net cash flows from operating activities		<u>3,024,856</u>	<u>2,807,393</u>	<u>697,851</u>	<u>787,772</u>

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

Central Plaza Hotel Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>					
Proceeds from loans to related parties	3	-	-	7,888,670	1,722,235
Loans to related parties	3	-	-	(8,150,400)	(1,384,105)
Decrease in loans to other parties		5,000	5,000	-	-
Purchase of property, plant and equipment		(919,741)	(850,276)	(87,761)	(92,655)
Purchase of software licences		(45,368)	(27,331)	(684)	(2,926)
Purchase of leasehold rights		(30,282)	-	-	-
Paid for investment in subsidiary		-	-	(50,000)	-
Proceeds from redemption of investment in property fund		6,342	-	6,342	-
Decrease (increase) in prepayment for construction		3,915	5,269	4,235	(359)
Dividend received from subsidiaries		-	-	356,665	377,764
Dividend received from an associate		50,116	17,435	50,116	17,435
Proceeds from disposal of plant and equipment		22,341	11,920	115	1,898
Net cash from (used in) investing activities		(907,677)	(837,983)	17,298	639,287
<i>Cash flows from financing activities</i>					
Decrease in short-term loans from financial institutions, net		(55,555)	(718,152)	(50,000)	(900,000)
Interest paid		(259,162)	(314,707)	(169,474)	(202,076)
Dividends paid to owners of the Company		(674,874)	(540,000)	(674,874)	(540,000)
Dividends paid from subsidiaries to non-controlling interests		(65,028)	(54,036)	-	-
Increase in loans from related parties	3	-	-	574,250	2,458,700
Repayments of loans from related parties	3	-	-	(602,350)	(2,052,900)
Repayments of short-term loans from other parties		(1,804)	-	-	-
Proceeds from issuing of debentures		4,280,000	-	4,280,000	-
Repayments of debentures		(3,300,000)	-	(3,300,000)	-
Finance lease payments		(6,179)	(17,790)	(4,974)	(10,449)
Proceeds from long-term loans from financial institutions		74,055	134,873	-	-
Repayments of long-term loans from financial institutions		(1,465,660)	(858,176)	(354,000)	(216,000)
Purchase of additional shares of subsidiaries		-	-	(420,000)	(15,000)
Net cash used in financing activities		(1,474,207)	(2,367,988)	(721,422)	(1,477,725)
Net increase (decrease) in cash and cash equivalents		642,972	(398,578)	(6,273)	(50,666)
Cash and cash equivalents at 1 January		377,125	632,866	32,466	25,035
Cash and cash equivalents at 30 September		1,020,097	234,288	26,193	(25,631)
Cash and cash equivalents		1,056,663	341,833	28,255	10,990
Bank overdrafts		(36,566)	(107,545)	(2,062)	(36,621)
		1,020,097	234,288	26,193	(25,631)
<i>Non-cash transaction</i>					
Acquisition of buildings and equipment by payable		134,801	92,472	5,735	819

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

Central Plaza Hotel Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 10 November 2016.

1 General information

Central Plaza Hotel Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1695 Phaholyothin Road, Chatuchak, Bangkok, Thailand.

The Company was listed on the Stock Exchange of Thailand on 10 January 1990.

The Company’s major shareholders during the financial period were Chirathivat group (64.2% shareholding).

The principal businesses of the Company and its subsidiaries are to operate hotel business, hotel management and food and beverage business.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2015) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2015. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2015.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2015 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2016. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company.

(b) Functional and presentation currency

The interim financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(c) Use of judgements and estimates

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2015.

(d) Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable 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 (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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Relationships with subsidiaries and an associate are described in notes 5 and 6. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
Key management personnel		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 Group.
Thai Business Fund 4	Thailand	Related parties
Central Department Store Co., Ltd.	Thailand	Common shareholders and directors
Harn Central Department Store Co., Ltd.	Thailand	Common shareholders and directors
Central International Development Co., Ltd.	Thailand	Common shareholders and directors
Central Pattana Public Company Limited	Thailand	Common shareholders and directors
Power Buy Co., Ltd.	Thailand	Common shareholders and directors
Central World Co., Ltd.	Thailand	Common directors
Tieng Chirathivat Co., Ltd.	Thailand	Common directors
AAPC (Thailand) Co., Ltd.	Thailand	Shareholder of a subsidiary

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Interest income and interest expense	Bank interest rate
Management fee income	Contractually agreed prices
Income from loan guarantee	Contractually agreed prices
Dividend income	Dividend announcement
Management fee expense	Contractually agreed prices
Rental income and rental expense	Contractually agreed prices
Electricity expense	Contractually agreed prices
Other income and other expenses	Agreed prices
Other service fees	Agreed prices

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Significant transactions for the three-month and nine-month periods ended 30 September 2016 and 2015 with related parties were as follows:

<i>Three-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Rental income	-	-	1,035	2,725
Interest income	-	-	30,255	32,015
Management fee income	-	-	54,304	103,078
Income from loan guarantee	-	-	5,562	5,910
Dividend income	-	-	309,341	310,440
Interest expense	-	-	2,500	6,678
Other expenses	-	-	662	662
Rental expense	-	-	2,236	2,537
Associate				
Rental income	25,255	25,290	12,687	12,464
Dividend income	37,303	4,460	37,303	4,460
Rental expense	50,114	49,055	-	-
Other related parties				
Rental income	3,569	3,569	-	-
Management fee income	4,312	1,899	-	-
Other income	4,341	5,305	-	-
Rental expense	36,600	35,093	26,680	25,596
Electricity expense	8,956	10,921	8,956	10,921
Management fee expense	7,674	7,430	3,308	3,150
Other service fees	3,958	3,897	-	-
Nine-month period ended 30 September				
Subsidiaries				
Rental income	-	-	3,739	7,330
Interest income	-	-	92,306	99,429
Management fee income	-	-	278,540	345,367
Income from loan guarantee	-	-	17,120	15,101
Dividend income	-	-	356,665	377,764
Interest expense	-	-	9,071	23,149
Other expenses	-	-	1,985	1,985
Rental expense	-	-	6,710	7,610
Associate				
Rental income	75,078	75,044	37,647	37,647
Dividend income	50,116	17,435	50,116	17,435
Rental expense	144,167	134,660	-	-

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	Consolidated		Separate	
	financial statements		financial statements	
<i>Nine-month period ended 30 September</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other related parties				
Rental income	10,709	10,709	-	-
Management fee income	8,582	8,330	-	-
Other income	14,414	17,616	-	-
Rental expense	115,122	107,116	85,362	78,624
Electricity expense	27,937	31,764	27,937	31,764
Management fee expense	23,024	22,291	9,923	9,450
Other service fees	12,031	11,250	-	-

	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 September</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	19,392	15,143	19,392	15,143
Post-employment benefits	713	290	713	290
Total key management personnel compensation	20,105	15,433	20,105	15,433

	Consolidated		Separate	
	financial statements		financial statements	
<i>Nine-month period ended 30 September</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	58,846	48,578	58,846	48,578
Post-employment benefits	2,139	869	2,139	869
Total key management personnel compensation	60,985	49,447	60,985	49,447

Balances as at 30 September 2016 and 31 December 2015 with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Receivables - related parties</i>	30	31	30	31
	September	December	September	December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	66,261	68,049
Other related parties	56,024	64,183	1,746	8,240
Total	56,024	64,183	68,007	76,289

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<i>Loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
			30	31	30	31
			September 2016	December 2015	September 2016	December 2015
	2016	2015	<i>(in thousand Baht)</i>			
	<i>(% per annum)</i>					
Short-term loans						
Subsidiaries	3.50 - 4.15	4.15	-	-	833,000	597,200
Long-term loans						
Subsidiaries	2.00 - 4.15	3.00 - 4.15	-	-	2,846,620	2,820,690
Total			-	-	3,679,620	3,417,890

Movements during the nine-month periods ended 30 September 2016 and 2015 of loans to related parties were as follows:

<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	3,417,890	3,513,700
Increase	-	-	8,150,400	1,384,105
Decrease	-	-	(7,888,670)	(1,722,235)
At 30 September	-	-	3,679,620	3,175,570

<i>Payables - related parties</i>	Consolidated financial statements		Separate financial statements	
	30	31	30	31
	September 2016	December 2015	September 2016	December 2015
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	36,699	2,706
Other related parties	31,949	50,458	3,259	3,438
Total	31,949	50,458	39,958	6,144

<i>Loans from related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
			30	31	30	31
			September 2016	December 2015	September 2016	December 2015
	2016	2015	<i>(in thousand Baht)</i>			
	<i>(% per annum)</i>					
Short-term loans						
Subsidiaries	1.57 - 4.15	3.50 - 4.15	-	-	633,800	661,900
Other related parties	3.00	3.00	64,287	66,860	-	-
Total			64,287	66,860	633,800	661,900

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Movements during the nine-month periods ended 30 September 2016 and 2015 of loans from related parties were as follows:

<i>Loans from related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Short-term loans				
Subsidiaries				
At 1 January	-	-	661,900	716,300
Increase	-	-	574,250	2,458,700
Decrease	-	-	(602,350)	(2,052,900)
At 30 September	-	-	633,800	1,122,100
Other related parties				
At 1 January	66,860	61,069	-	-
Effect on exchange rate	(2,573)	6,311	-	-
At 30 September	64,287	67,380	-	-
Total loans from related parties				
At 1 January	66,860	61,069	661,900	716,300
Increase	-	-	574,250	2,458,700
Decrease	-	-	(602,350)	(2,052,900)
Effect on exchange rate	(2,573)	6,311	-	-
At 30 September	64,287	67,380	633,800	1,122,100

Significant agreements with related parties

a) Long-term lease agreements

The Company

1) Sofitel Centara Grand Bangkok Project

Under the terms of a reciprocal agreement entered into with Central International Development Co., Ltd. (“CID”) who entered into long-term land lease agreement with State Railway of Thailand (“SRT”), the Company was granted the right to construct a hotel building on the sublease property from CID and to operate the hotel for the Company's benefits up to 18 December 2008. This agreement is renewable for period of 10 years each.

As at 18 December 2008 which was the expiration date of the said reciprocal agreement, the Company was required to transfer the construction on sublease land, fixtures and improvements, including part of equipment to SRT. The net book value at the expiration date of agreement was Baht 23.9 million, which resulted in the Company incurring a loss from disposal of the assets of the same amount.

On 9 December 2008, CID entered into a new land and building lease agreement of 20 years lease term with SRT. The Company then signed the memorandum of agreement with CID in order to preserve and affirm of undertaking the right to enter into the new sublease agreement with CID. The Company has to pay the guarantee deposit on land and building lease agreement of Central Plaza Hotel at Ladprao, in the amount of Baht 95 million on the day which CID entered into the lease agreement with SRT.

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In 2009, the Company entered into a sublease agreement with CID (“sublessor”) for the subleasing of Sofitel Centara Grand Bangkok Hotel’s building (formerly Central Plaza Ladprao Hotel) and hotel building improvements including durable goods for a period of 20 years. The lease will expire on 18 December 2028. The Company was required to pay the sublessor Baht 2,556 million for the subleasing right and annual rent for the whole lease term. In addition, the Company was required to pay durable goods rental fee totalling Baht 31 million for the whole lease term. The Company recorded durable goods rental fee as asset under finance lease.

Leased assets, which the Company has renovated, improved or constructed, altered, added, maintained or rebuilt, will be transferred to SRT as soon as the said activities are completed. In addition, the Company has to return durable goods according to the list in the lease agreement in a manner which is appropriate to their condition and useful lives to SRT at the end of the lease agreement.

Subsidiaries

2) Centara Grand Beach Resort Samui Project

Agreements between Central Plaza Hotel Public Company Limited and its subsidiaries and Centara Hotels & Resorts Leasehold Property Fund

On 25 September 2008, Central Plaza Hotel Public Company Limited and its subsidiary entered into agreements relating to land and hotel building of Centara Grand Beach Resort Samui Hotel (formerly Central Samui Beach Resort Hotel) with Centara Hotels & Resorts Leasehold Property Fund (“CTARAF”), in the following matters.

- 1 Central Samui Beach Resort Co., Ltd. (“CSBR”) entered into the land lease agreement with CTARAF for lease the land to CTARAF for the period of 30 years commencing from the date on which both parties register the lease agreement (26 September 2008). CTARAF agreed to pay the land lease fee in the total amount of Baht 1,500 million with full payment on the date on which the lease was registered. CSBR recognised such proceeds from lease as deferred income in its financial position and amortises to income using the straight line method over the lease term of 30 years. As at 30 September 2016, the balance of deferred income was Baht 1,099.3 million (31 December 2015: Baht 1,136.7 million) in the consolidated financial statements.
- 2 Central Plaza Hotel Public Company Limited (“CPH”) entered into the property lease agreement with Centara Grand Beach Resort Samui Hotel, including the utility facilities and related equipment with CTARAF in order to lease to CTARAF for the period of 30 years commencing from the date that both parties registered the lease agreement (26 September 2008). CTARAF agreed to pay the property lease fee in the total amount of Baht 1,510 million with full payment on the date on which the lease was registered. CPH recognised such proceeds from lease as deferred income in the statement of financial position of the Company and amortises to income using the straight line method over the lease term of 30 years. As at 30 September 2016, the balance of deferred income was Baht 1,106.8 million (31 December 2015: Baht 1,144.4 million).

Under the property lease agreement, CPH agreed and guaranteed that, in the period of 4 years from the registration date of lease, CTARAF would receive lease fee income from the lease assets in the amount not less than the accumulated guaranteed lease fee specified in the agreement. If CTARAF receives the accumulated lease fee income less than the accumulated guaranteed lease fee as in the agreement, CPH agreed to pay CTARAF the difference between the accumulated lease fee income of the fund and the accumulated guaranteed lease fee income.

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On 1 December 2008, CPH and CSBR entered into the agreement regarding guarantee CTARAF lease fee income. CSBR as a land lessor which mutually get benefits from CTARAF on lease agreement, to be the co-guarantor in guarantee CTARAF lease fee income. In case CPH have to pay any payments to CTARAF under the above guarantee agreement, CSBR agree to pay partial guarantee payment to CPH according to the rate specified in the agreement.

If CTARAF wishes to renew the land lease agreement and building lease agreement as in No.1 and No. 2 above when the lease period was due, CTARAF has to state its intention to CSBR and CPH, depending on the case, in writing within the 26th year from the first year of the lease period and both parties negotiate and finalise the details for renewal of lease agreement within the 27th year from the first year of the lease period.

- 3 CSBR entered into the agreement for sale of furniture and equipment installed/used within Centara Grand Beach Resort Samui Hotel with CTARAF, under which CTARAF agreed to pay for rights transferring of the said furniture and equipment in the amount of Baht 80 million (including VAT) by making a full payment on the day that the rights are transferred (26 September 2008).
- 4 CTARAF entered into the sublease agreement of Centara Grand Beach Resort Samui Hotel with Central Samui Hotel Management Co., Ltd. (“CSHM”) for lease the land, building and utility facility and relating equipment, and furniture and equipment to CSHM to use in operating the hotel business. The lease term is 3 years commencing from 26 September 2008. CTARAF promised to CSHM that CSHM is able to lease the assets for another 3 years from the end of the lease term. CSHM must inform CTARAF for exercise of the promised right in writing not less than 6 months before the end of the lease term to mutually negotiate a new fixed lease fee. However, CTARAF is able to exercise the right to discontinue the lease by informing CSHM in writing. According to this agreement, CSHM agreed to pay a monthly lease fee comprising of a fixed lease fee in the amount of Baht 225 million per annum and a variable lease fee at 90 percent of earnings before interest, taxes, depreciation and amortisation.

According to the sublease agreement and other related agreements, CSHM must comply with the conditions stipulated in the agreement such as submission of documents and other information specified in the agreement, opening and maintaining of various bank accounts including transfer of rights over the said bank accounts to CTARAF, without the increase of additional debt, selling, disposing, lease, forming a commitment in part or all of assets, lending to, investing, except for the consent in writing from CTARAF is granted.

Except in circumstance that CSHM can demonstrate to CTARAF that any event is beyond the control of or prevention by CSHM and such event has caused an adverse material impact on the operations of the hotel and such event occurs temporarily (“Temporary Force Majeure”) and resulting in CSHM being unable to pay the fixed rental to CTARAF in an amount and within the due date specified in sublease agreement, CSHM shall pay rental to CTARAF in the amount equivalent to 100 percent of earnings before interest, taxes, depreciation and amortisation (“EBITDA”) calculated from the operations of the hotel during such period and it shall not be deemed CSHM is in default of payments.

On 24 March 2014, CSHM sent the letter of intent to exercise the right to continue lease of Centara Grand Beach Resort Samui Hotel in accordance with the renewal condition in the sublease agreement which was expired on 25 September 2014. Subsequently, on 23 September 2014, the Fund Manager of CTARAF informed CSHM that CTARAF and CSHM were required to mutually agree on a new fix rental rate for the renewal of the sublease agreement. The Fund Manager of CTARAF has confirmed that new rental rate would be the same as the previous rental rate. Whereas CSHM proposed that new rental rate would be 100% of EBITDA. Therefore, the Fund Manager of CTARAF and CSHM cannot agree on the new rental rate.

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On 3 April 2015, the Fund Manager of CTARAF reported to the Stock Exchange of Thailand that CTARAF and CSHM were still unable to reach an agreement on the rental rate for the renewal of the sublease agreement, which was expired in September 2014. The Fund Manager is in the process of negotiating and considering other possible alternatives, including the process of seeking a new subleasee.

On 19 May 2015, the Fund Manager of CTARAF reported to the Stock Exchange of Thailand that the Fund Manager announced the seeking of a new subleasee and invited the interested parties for bids. On 14 August 2015, the Fund Manager had reviewed bidding documents submitted but that the bids are not in the best interests of the Fund and/or unit holders. Thus, the Fund exercised a right to not select the bidder. Currently, the Fund Manager is considering whether to proceed with the bidding for sublease agreement of Centara Grand Beach Resort Samui Hotel.

CSHM has continued to process and operate Centara Grand Beach Resort Samui Hotel since the expiry of the sublease agreement in September 2014. CSHM recorded and paid rental fee to CTARAF at a rate of 100 percent of earnings before interest, taxes, depreciation and amortisation (“EBITDA”) since the expiry date of the agreement. However, CSHM received the notice letter from CTARAF to make a payment at the rate stated in the former sublease agreement, equivalent to a fixed rental fee of Baht 225 million per annum and a variable rental fee at 90% of earnings before interest, taxes, depreciation and amortisation. As at 30 September 2016, CSHM and CTARAF is in the process of negotiating for the rental rate. The records of rental rate may differ if the rental rate is finalised.

However, CSHM has continued to process and operate Centara Grand Beach Resort Samui Hotel without a written sublease agreement since the expiry of the sublease agreement in September 2014. Therefore, there is an uncertainty over the rental rate after the expiry of the sublease agreement.

Furthermore, at the unitholders’ meeting of CTARAF held on 28 October 2016 to consider approving Centara Grand Beach Resort Samui Hotel’s sublease proposals, the unitholders would like to receive additional information including a sufficient opinion of the independent financial advisor and the fiduciary regarding the sublease proposals before considering approving any sublease proposals. In addition, the unitholders have asked the Fund Manager of CTARAF to explore and consider other alternatives for the unitholders’ consideration. The Fund Manager of CTARAF deemed that it is unnecessary to ask the meeting to consider such agenda in the meeting at this time. However, when the Fund Manager of CTARAF received any additional proposals or alternatives from CSHM or reached any conclusion after exploring the solution available for CTARAF, the Fund Manager shall report on the progress to the Stock Exchange of Thailand, the fiduciary and unitholders for acknowledgement and/or propose the conclusion to a unitholders’ meeting for further approval (as the case maybe).

3) Central World Hotel Co., Ltd.

On 28 April 2005, Central World Hotel Co., Ltd. (“CWH”) entered into a sublease agreement of hotel land and building with Thai Business Fund 4 (“the Fund”) to develop and to operate a hotel or other related businesses. CWH is required to pay rental in advance and annual rental fee totalling Baht 1,188.8 million to the Fund up to the end of the agreement on 22 December 2032. CWH paid the rental in advance upon signing the agreement of Baht 275 million and recorded the prepayment as leasehold right in the consolidated statement of financial position. For the three-month and nine-month periods ended 30 September 2016, CWH recorded rental expense of Baht 8.6 million and Baht 26.0 million, respectively (*for the three-month and nine-month periods ended 30 September 2015: Baht 8.3 million and Baht 24.8 million, respectively*).

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The above agreement requires the rights on buildings and constructions thereon which CWH repair and maintenance or construct on the sublease land to belong to land owner, the Crown Property Bureau, at the date that those repairs and maintenance or construction completed.

4) Cosi Hotel Co., Ltd.

On 8 August 2016, Cosi Hotel Co., Ltd. (“COSI”) entered into a land sublease agreement of Central Festival Samui Project with Central World Co., Ltd. (“CTW”) to develop Cosi Hotel, Samui. COSI is required to pay sublease fees at Baht 62 million for the total 37 years 2 months sublease period. COSI paid the rental in advance upon signing the agreement of Baht 6.2 million and recorded the prepayment as leasehold right in the consolidated statement of financial position. For the three-month and nine-month periods ended 30 September 2016, COSI recorded rental expense of Baht 0.4 million.

b) Long-term service agreements

The Company

On 1 July 2004, the Company entered into management agreements with its subsidiaries, effective from 1 January 2004. Management fee would be paid on a quarterly basis. The parties to the agreements have the right to amend the agreements by agreeing in written. Details of the agreements are below:

- The Company entered into management agreements with its 7 subsidiaries in the hotel group to manage the hotel operations. Under the said agreements, the Company would receive management fee as specified in the agreements.
- The Company entered into a management agreement with Central Restaurants Group Co., Ltd. (“CRG”), for the operational management of CRG. Under the said agreement, the Company would receive a monthly fixed management fee.

On 26 September 2008, the Company entered into management agreement with Central Samui Hotel Management Co., Ltd. to manage the hotel’s operations for 30 years commencing from the agreement date. The Company would receive management fee as specified in the agreement.

On 31 March 2011 and 26 May 2011, the Company entered into management agreements with Karon Phuket Hotel Co., Ltd. and Kata Phuket Hotel Co., Ltd. to manage the hotel’s operations for 5 years. The agreements are automatically renewable for 5 years. Under the said agreements, the Company would receive management fee as specified in the agreements.

Nevertheless, above stated agreements among the Company and its 7 subsidiaries in the hotel group, Karon Phuket Hotel Co., Ltd. and Kata Phuket Co., Ltd. were expired on 30 June 2016. Such companies entered into new agreements, which are effective since 1 July 2016 onwards, with a subsidiary.

On 31 January 2014, the Company entered into a service agreement with Harng Central Department Store Co., Ltd. for a period of 1 year in order to receive information and various suggestions, which are beneficial to the Company. The Company agreed to pay service fee of Baht 1,000,000 per month, the agreement is automatically renewable annually with a 5% increase of service fee every year.

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Subsidiaries

Central Sukhontha Hotel Co., Ltd. (“CHY”) has entered into a rental and services agreement with Central Department Store Co., Ltd. for a period of 30 years ending on 31 May 2024. Central Department Store Co., Ltd. agreed to lease part of CHY’s building as a shopping center. Total income to CHY throughout the agreement is approximately Baht 428 million. As at 30 September 2016, the balance of deferred income was Baht 115.4 million (*31 December 2015: Baht 126.1 million*) in the consolidated financial statements.

On 31 January 2012, Central Restaurants Group Co., Ltd. (“CRG”) entered into a service agreement with Harn Central Department Store Co., Ltd. for a period of 1 year in order to receive information and various suggestions, which are beneficial to CRG. CRG agreed to pay service fee of Baht 500,000 per month, the agreement is automatically renewable annually with a 5% increase of service fee every year.

On 1 January 2015, Central Restaurants Group Co., Ltd. (“CRG”) entered into legal consultant service agreement with Harn Central Department Store Co., Ltd. in order to receive consultation, explanation and advice of legal matters especially for laws related to its business. The service fee is agreed to pay at Baht 73,000 per month. The agreement has a period of 1 year, commencing from 1 January 2015 to 31 December 2015, unless in practice both parties involve in consultation and advice under the intention of continuing this agreement without the renewal of the agreement. This should be considered as the beginning of the agreement in infinite period and is the right of either party to terminate the agreement, however, the advance notice of the termination should not be less than 30 days.

c) Long-term lease and service agreements

Central Restaurants Group Co., Ltd. (“CRG”) had long-term lease and service agreements with related parties for periods of 3 to 30 years up to 2023. According to the terms of the agreements, CRG has to pay monthly rental and service charges at fixed rates or at certain percentages of gross sales as follows:

	Consolidated financial statements	
	30 September 2016	31 December 2015
	<i>(in thousand Baht)</i>	
<i>Operating lease commitment (only fixed rental and service fees and minimum lease payment)</i>		
Within one year	287,256	309,425
After one year but within five years	232,331	284,466
After five years	3,187	3,996
Total	<u>522,774</u>	<u>597,887</u>

d) Commitments under agreements with related parties

The Company

As at 30 September 2016, the Company guaranteed the overdraft lines, letters of credit lines and various guarantees for a subsidiary to a local bank totaling Baht 30 million (*31 December 2015: Baht 30 million*).

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The Company provided guarantees to various financial institutions for loans of three subsidiaries in the amount not less than Baht 4,920 million. As at 30 September 2016, the outstanding loans were Baht 1,850 million (*31 December 2015: Baht 2,397 million*).

Subsidiary

As at 30 September 2016, Central Restaurants Group Co., Ltd. had commitments to a financial institution for guarantees of bank overdraft and long-term loan facility of a subsidiary totalling Baht 55.8 million (*31 December 2015: Baht 55.8 million*).

4 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Trade receivables - other parties	464,569	503,945	90,676	88,456
Less allowance for doubtful accounts	<u>(11,051)</u>	<u>(11,307)</u>	<u>(366)</u>	<u>(419)</u>
Trade receivables - net	453,518	492,638	90,310	88,037
Other receivables	192,337	223,066	69,963	131,052
Receivables from related parties	3 56,024	64,183	68,007	76,289
	<u>701,879</u>	<u>779,887</u>	<u>228,280</u>	<u>295,378</u>
Prepaid expenses	97,263	53,949	17,653	14,868
Prepaid promotion expenses	-	56,952	-	-
Advance to suppliers	37,985	32,324	-	-
Total	<u>837,127</u>	<u>923,112</u>	<u>245,933</u>	<u>310,246</u>
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Doubtful debts expense (reversal of) for the Three-month period ended 30 September	<u>(97)</u>	<u>266</u>	<u>(53)</u>	<u>-</u>
Nine-month period ended 30 September	<u>(256)</u>	<u>3,072</u>	<u>(53)</u>	<u>(479)</u>

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	288,353	371,699	83,369	80,825
Overdue:				
Less than 3 months	75,307	69,506	5,060	3,852
3 - 6 months	78,611	54,359	244	738
6 - 12 months	4,210	2,442	-	1,817
Over 12 months	18,088	5,939	2,003	1,224
	464,569	503,945	90,676	88,456
Less allowance for doubtful accounts	(11,051)	(11,307)	(366)	(419)
Net	453,518	492,638	90,310	88,037

The normal credit terms granted by the Group ranges from 30 days to 45 days.

5 Investment in an associate

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Nine-month period ended 30 September</i>	<i>(in thousand Baht)</i>			
Associate				
At 1 January	626,109	724,812	626,109	787,413
Share of net profits of associate	63,530	38,536	-	-
Unit redeemed	(6,342)	-	(6,342)	-
Dividend income	(50,116)	(17,435)	-	-
At 30 September	633,181	745,913	619,767	787,413

There were no acquisitions and disposals of investment in an associate during the nine-month period ended 30 September 2016.

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Investment in an associate as at 30 September 2016 and 31 December 2015, and dividend income for the nine-month periods ended 30 September 2016 and 2015 were as follows:

Consolidated financial statements													
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the nine-month periods ended		
			30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	30 September 2015	
			(%)				(in thousand Baht)						
<i>Associate</i>													
	Centara Hotels & Resorts Leasehold Property Fund	Property fund	Thailand	25.3	25.3	3,085,440	3,110,464	<u>781,071</u>	<u>787,413</u>	<u>633,181</u>	<u>626,109</u>	<u>50,116</u>	<u>17,435</u>
Total								<u>781,071</u>	<u>787,413</u>	<u>633,181</u>	<u>626,109</u>	<u>50,116</u>	<u>17,435</u>

As at 30 September 2016, the closing price of Centara Hotels & Resorts Leasehold Property Fund was Baht 4.60 (31 December 2015: Baht 3.76). The fair value of investment in Centara Hotels & Resorts Leasehold Property Fund was Baht 373 million (31 December 2015: Baht 305 million).

Separate financial statements													
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month periods ended		
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	30 September 2015	
			(%)				(in thousand Baht)						
<i>Associate</i>													
	Centara Hotels & Resorts Leasehold Property Fund	25.3	25.3	3,085,440	3,110,464	<u>781,071</u>	<u>787,413</u>	<u>(161,304)</u>	<u>(161,304)</u>	<u>619,767</u>	<u>626,109</u>	<u>50,116</u>	<u>17,435</u>
Total						<u>781,071</u>	<u>787,413</u>	<u>(161,304)</u>	<u>(161,304)</u>	<u>619,767</u>	<u>626,109</u>	<u>50,116</u>	<u>17,435</u>

The Company set up impairment loss on investment in an associate by considering from the net asset value of the property fund.

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6 Investments in subsidiaries

<i>Nine-month period ended 30 September</i>	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	5,132,582	4,907,582
Additions	470,000	15,000
At 30 September	<u>5,602,582</u>	<u>4,922,582</u>

In 2nd quarter of 2016, the Company has invested in ordinary shares of Centara Management Headquarter Co., Ltd of 100,000 shares at Baht 100 per share, totalling of Baht 10 million, for 100% of paid-up share capital. Such company registered the authorised share capital and called for a fully paid-up share capital with the Ministry of Commerce on 28 April 2016.

On 14 May 2016, the shareholders of the subsidiary approved for the additional share capital of 400,000 shares at Baht 100 per share, totalling of Baht 40 million and called for a fully paid-up share capital.

On 5 August 2016, the Company has invested in additional share capital of Central Samui Beach Resort Co., Ltd of 4,200,000 shares at Baht 100 per share, totalling of Baht 420 million.

On 10 June 2015, Cosi Hotel Co., Ltd. had called for the additional paid-up share capital of 300,000 shares at Baht 50 per share, totalling of Baht 15 million.

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Investments in subsidiaries as at 30 September 2016 and 31 December 2015, and dividend income from those investments for the nine-month periods ended 30 September 2016 and 2015 were as follows:

Separate financial statements

Name of subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month periods ended	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		<i>(%)</i>				<i>(in thousand Baht)</i>							
Direct subsidiaries													
Central Samui Beach Resort Co., Ltd.	Hotel	100	100	670,000	250,000	814,383	394,383	-	-	814,383	394,383	125,000	125,000
Central Karon Village Co., Ltd.	Hotel	100	100	37,500	37,500	76,500	76,500	-	-	76,500	76,500	5,625	-
Central Krabi Bay Resort Co., Ltd.	Hotel	100	100	500,000	500,000	500,000	500,000	-	-	500,000	500,000	-	-
Central Hua Hin Beach Resort Co., Ltd.	Hotel	63.9	63.9	185,000	185,000	198,905	198,905	-	-	198,905	198,905	47,324	94,648
Central World Hotel Co., Ltd.	Hotel	100	100	1,800,000	1,800,000	1,800,000	1,800,000	-	-	1,800,000	1,800,000	-	-
Central Koh Kood Hotel Co., Ltd.	Hotel	100	100	120,000	120,000	120,000	120,000	-	-	120,000	120,000	-	-
Central Hotel Management Co., Ltd.	Holding company	100	100	250,000	250,000	250,000	250,000	-	-	250,000	250,000	-	-
Central Restaurants Group Co., Ltd.	Food and beverage	100	100	620,000	620,000	669,607	669,607	-	-	669,607	669,607	-	20,000
Triplene Decor Co., Ltd.	Not operate yet	100	100	80,000	80,000	80,000	80,000	-	-	80,000	80,000	-	-
Central Samui Hotel Management Co., Ltd.	Holding company	100	100	1,250	1,250	1,250	1,250	-	-	1,250	1,250	-	-
Centara International Management Co., Ltd.	and hotel management	100	100	150,000	150,000	150,000	150,000	-	-	150,000	150,000	66,000	12,000
S.P. Realty Had Farang Resort Co., Ltd.	Not operate yet	100	100	88,500	88,500	88,500	88,500	-	-	88,500	88,500	-	-
S.P. Realty Pattaya Beach Co., Ltd.	Not operate yet	100	100	80,000	80,000	80,000	80,000	-	-	80,000	80,000	-	-

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Separate financial statements

Name of subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month periods ended	
		30	31	30	31	30	31	30	31	30	31	30	30
		September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	September 2015
		(%)		(in thousand Baht)									
Direct subsidiaries													
Cenvaree Healthy Spa Co., Ltd.	Not operate yet	100	100	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
Central Bangkok Convention & Exhibition Co., Ltd.	Not operate yet	100	100	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
Centara International Management (Thailand) Co., Ltd.	Hotel management	100	100	25,000	25,000	25,000	25,000	-	-	25,000	25,000	21,000	28,000
Karon Phuket Hotel Co., Ltd.	Hotel	99.3	99.3	520,000	520,000	479,187	479,187	-	-	479,187	479,187	77,460	98,116
Cosi Hotel Co., Ltd.	Not operate yet	100	100	30,000	30,000	30,000	30,000	-	-	30,000	30,000	-	-
Centara Import-Export Co., Ltd.	Import and export	100	100	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
Cosi Hotel Management Co., Ltd.	Not operate yet	100	100	1,250	1,250	1,250	1,250	-	-	1,250	1,250	-	-
Centara Loyalty Marketing Co., Ltd.	Offer privileges for customers	100	100	12,500	12,500	12,500	12,500	-	-	12,500	12,500	-	-
Centara Learning Centre Co., Ltd.	Learning centre	100	100	2,500	2,500	2,500	2,500	-	-	2,500	2,500	-	-
Kata Phuket Hotel Co., Ltd.	Hotel	99	99	120,000	120,000	170,000	170,000	-	-	170,000	170,000	14,256	-
Centara Management Headquarter Co., Ltd.	Hotel management	100	-	50,000	-	50,000	-	-	-	50,000	-	-	-
Total						5,602,582	5,132,582	-	-	5,602,582	5,132,582	356,665	377,764

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Separate financial statements

Name of subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month periods ended	
		30	31	30	31	30	31	30	31	30	31	30	30
		September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	September 2015
		(%)				(in thousand Baht)							
Indirect subsidiaries													
Central Sukhontha Hotel Co., Ltd.	Hotel	100	100	145,000	145,000	-	-	-	-	-	-	-	-
Central Samui Village Co., Ltd.	Hotel	100	100	55,000	55,000	-	-	-	-	-	-	-	-
Central Mae Sot Hill Hotel Co., Ltd.	Hotel	98.4	98.4	190,000	190,000	-	-	-	-	-	-	-	-
	Food and beverage												
CRG Manufacturing Co., Ltd.	Not operate yet	100	100	160,000	160,000	-	-	-	-	-	-	-	-
Central Laundry Services Co., Ltd.	Food and beverage			1,500	1,500	-	-	-	-	-	-	-	-
CRG International Food Co., Ltd.	Not operate yet	100	100	179,760	179,760	-	-	-	-	-	-	-	-
S.P. Realty Lanta Beach Co., Ltd.	Hotel	100	100	36,000	36,000	-	-	-	-	-	-	-	-
Centara Maldives Pvt. Ltd.	Hotel	75	75	618,936	618,936	-	-	-	-	-	-	-	-
R.M.L. Leisure Pvt. Ltd.	Hotel	74	74	483,886	483,886	-	-	-	-	-	-	-	-
Centara (Shanghai) Hotel Management Co., Ltd.	Not operate yet	100	100	27,233	16,137	-	-	-	-	-	-	-	-
CIM for Hotel Management - Egypt, S.A.E.	Not operate yet	100	100	577	232	-	-	-	-	-	-	-	-
Centara Capital Limited (formerly known as Centara (Hong Kong) Hotel Management Co., Limited)	Not operate yet	100	100	-	-	-	-	-	-	-	-	-	-
Total													

All subsidiaries were incorporated in Thailand, except the following subsidiaries;

Subsidiaries	Country of incorporation
Centara Maldives Pvt. Ltd.	Republic of Maldives
R.M.L. Leisure Pvt. Ltd.	Republic of Maldives
Centara (Shanghai) Hotel Management Co., Ltd.	People's Republic of China
CIM for Hotel Management - Egypt, S.A.E.	Arab Republic of Egypt
Centara Capital Limited (formerly known as Centara (Hong Kong) Hotel Management Co., Limited)	Hong Kong Special Administrative Region of the People's Republic of China

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7 Property, plant and equipment, leasehold rights and other intangible assets

During the nine-month period ended 30 September 2016, property, plant and equipment of the Group at a total cost of Baht 865 million is acquired, mostly from renovation and construction of hotel and branch expansion of food business. There were no significant additions to or disposals of leasehold rights and other intangible assets during the period.

At 30 September 2016, the Company and certain subsidiaries mortgaged land, buildings and constructions with carrying value of Baht 2,369 million (*31 December 2015: Baht 4,601 million*) as collateral for bank overdrafts and loans from financial institutions.

Central Restaurants Group Co., Ltd. (“CRG”) entered into agreements with three local banks to obtain various short-term credit facility lines. Under the term of the agreements, CRG shall not dispose, pledge or mortgage the existing or future property and leasehold rights in an amount over the agreed amount stated in the agreements without consent from the banks.

According to loan agreement between Central World Hotel Co., Ltd. (“CWH”) with a local bank, CWH shall not dispose, transfer, lease, or make any commitment in leasehold land including buildings and constructions thereon without consent from the bank.

According to sublease agreement of Sofitel Centara Grand Bangkok Hotel, leased assets which the Company has renovated, improved or constructed, altered, added, maintained or rebuilt, will be transferred to the State of Railway of Thailand.

According to land lease agreement of Hua Hin Railway Hotel, hotel buildings and premises including the additional fixtures of a subsidiary, Central Hua Hin Beach Resort Co., Ltd., will be transferred to the State Railway of Thailand.

Hotel buildings, constructions and fixtures thereon of a subsidiary, Central World Hotel Co., Ltd. (“CWH”) will be transferred the rights on buildings and constructions thereon which CWH repair and maintenance or construct on the sub-lease land to the land owner, the Crown Property Bureau. As at 30 September 2016, the net book value of assets under sub-lease land agreement was Baht 2,325 million (*31 December 2015: Baht 2,400 million*).

8 Trade and other payables

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30	31	30	31
		September 2016	December 2015	September 2016	December 2015
		<i>(in thousand Baht)</i>			
Trade payables - other parties		686,028	734,582	45,111	67,908
Payables to related parties	3	31,949	50,458	39,958	6,144
Other payables		83,708	103,981	50,572	70,984
Payables for purchase of buildings and equipment		134,801	189,710	5,735	8,764
Guest deposits		387,057	432,942	110,800	109,677
Accrued expenses		921,874	957,357	90,747	84,562
Total		<u>2,245,417</u>	<u>2,469,030</u>	<u>342,923</u>	<u>348,039</u>

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9 Debentures

On 30 March 2016, the Company issued 800,000 units of debentures at Baht 1,000 per unit (par value is at Baht 1,000). The debentures are in the name of specific holders, unsubordinated and unsecured, bear interest rate at 2.09% per annum and has maturity date in 2020. The shareholders of the Company approved the credit limit for issuance and offer for sale of the debentures at the shareholders' meeting on 25 March 2009.

On 11 August 2016, the Company issued 980,000 units of debentures at Baht 1,000 per unit (par value is at Baht 1,000). The debentures are in the name of specific holders, unsubordinated and unsecured, bear interest rate at 2.45% per annum and has maturity date in 2021. The shareholders of the Company approved the credit limit for issuance and offer for sale of the debentures at the shareholders' meeting on 28 April 2016.

On 29 September 2016, the Company issued the debentures in the name of specific holders, unsubordinated and unsecured, which the shareholders of the Company approved the credit limit for issuance and offer for sale of the debentures at the shareholders' meeting on 28 April 2016. The details are as follows:

- Interest rate at 2.78% per annum and has maturity date in 2022, 1,000,000 units of debentures at Baht 1,000 per unit (par value is at Baht 1,000).
- Interest rate at 2.97% per annum and has maturity date in 2023, 1,000,000 units of debentures at Baht 1,000 per unit (par value is at Baht 1,000).
- Interest rate at 3.39% per annum and has maturity date in 2026, 500,000 units of debentures at Baht 1,000 per unit (par value is at Baht 1,000).

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10 Segment information

Information about reportable segments

<i>Three-month period ended 30 September</i>	Hotel and related services operation		Food and ice-cream operation		Total reportable segments		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	<i>(in million Baht)</i>									
Revenues	2,119	1,993	2,630	2,495	4,749	4,488	(79)	(94)	4,670	4,394
Interest income	58	67	4	2	62	69	(58)	(65)	4	4
Other income	330	300	20	19	350	319	(281)	(182)	69	137
Total income	2,507	2,360	2,654	2,516	5,161	4,876	(418)	(341)	4,743	4,535
Cost of sales	1,441	1,373	1,422	1,363	2,863	2,736	(17)	(36)	2,846	2,700
Selling expenses	92	95	105	111	197	206	(15)	(3)	182	203
Administrative expenses	527	491	949	887	1,476	1,378	(228)	(198)	1,248	1,180
Financial costs	129	162	-	-	129	162	(58)	(65)	71	97
Total expenses	2,189	2,121	2,476	2,361	4,665	4,482	(318)	(302)	4,347	4,180
Share of net profits of investment	13	11	-	-	13	11	-	-	13	11
Profit before income tax expense	331	250	178	155	509	405	(100)	(39)	409	366
Income tax expense	(57)	(34)	(28)	(28)	(85)	(62)	-	-	(85)	(62)
Profit for the period	274	216	150	127	424	343	(100)	(39)	324	304

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<i>Nine-month period ended 30 September</i>	Hotel and related services operation		Food and ice-cream operation		Total reportable segments		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	<i>(in million Baht)</i>									
Revenues	6,912	6,563	8,010	7,580	14,922	14,143	(232)	(233)	14,690	13,910
Interest income	174	204	11	5	185	209	(176)	(200)	9	9
Other income	848	838	61	44	909	882	(666)	(559)	243	323
Total income	7,934	7,605	8,082	7,629	16,016	15,234	(1,074)	(992)	14,942	14,242
Cost of sales	4,290	4,073	4,309	4,114	8,599	8,187	(51)	(54)	8,548	8,133
Selling expenses	322	303	348	327	670	630	(43)	(22)	627	608
Administrative expenses	1,556	1,481	2,856	2,661	4,412	4,142	(668)	(643)	3,744	3,499
Financial costs	408	493	-	1	408	494	(176)	(200)	232	294
Total expenses	6,576	6,350	7,513	7,103	14,089	13,453	(938)	(919)	13,151	12,534
Share of net profits of investment	64	39	-	-	64	39	-	-	64	39
Profit before income tax expense	1,422	1,294	569	526	1,991	1,820	(136)	(73)	1,855	1,747
Income tax expense	(253)	(218)	(96)	(88)	(349)	(306)	-	-	(349)	(306)
Profit for the period	1,169	1,076	473	438	1,642	1,514	(136)	(73)	1,506	1,441

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11 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective tax rate in respect of continuing operations for the three-month and nine-month periods ended 30 September 2016 was 20.8% and 18.8%, respectively. This effective tax rate did not significantly different from corporate income tax rate.

12 Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2016 and 2015 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Three-month period ended 30 September</i>				
	<i>(in million Baht/million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>322</u>	<u>294</u>	<u>386</u>	<u>374</u>
Number of ordinary shares outstanding	<u>1,350</u>	<u>1,350</u>	<u>1,350</u>	<u>1,350</u>
Basic earnings per share (in Baht)	<u>0.24</u>	<u>0.22</u>	<u>0.29</u>	<u>0.28</u>
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Nine-month period ended 30 September</i>				
	<i>(in million Baht/million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>1,434</u>	<u>1,374</u>	<u>660</u>	<u>705</u>
Number of ordinary shares outstanding	<u>1,350</u>	<u>1,350</u>	<u>1,350</u>	<u>1,350</u>
Basic earnings per share (in Baht)	<u>1.06</u>	<u>1.02</u>	<u>0.49</u>	<u>0.52</u>

13 Dividends

At the annual general meeting of the shareholders of the Company held on 28 April 2016, the shareholders approved the appropriation of dividend of Baht 0.50 per share, amounting to Baht 675 million. The dividend was paid to shareholders in 2016.

At the annual general meeting of the shareholders of the Company held on 23 April 2015, the shareholders approved the appropriation of dividend of Baht 0.40 per share, amounting to Baht 540 million. The dividend was paid to shareholders in 2015.

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14 Financial instruments

Carrying amounts and fair values

Financial assets and financial liabilities not measured at fair value

Fair values of financial assets and liabilities except long-term loans from financial institutions and debentures is taken to approximate the carrying values because of the nearly to maturity.

Fair values of long-term loans from financial institutions and debentures, together with the carrying values shown in the consolidated and separate statements of financial position were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	Fair value	Carrying value	Fair value	Carrying value
	<i>(in million Baht)</i>			
30 September 2016				
Long-term loans from financial institutions	1,748	1,700	-	-
Debentures	6,085	5,978	6,085	5,978
Total	7,833	7,678	6,085	5,978

15 Commitments with non-related parties

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Capital commitment				
Contracted but not provided for				
hotel construction	296,568	52,566	17,957	-
machinery and equipment	12,269	21,436	-	-
leasehold improvements	35,729	-	-	-
Total	344,566	74,002	17,957	-
Operating lease commitments and service commitments of Central Restaurants Group Co., Ltd.				
Within one year	371,541	413,606	-	-
After one year but within five years	292,291	275,927	-	-
After five years	1,528	1,174	-	-
Total	665,360	690,707	-	-

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16 Thai Financial Reporting Standards (TFRS) not yet adopted

New TFRS has been issued but is not yet effective and has not been applied in preparing these interim financial statements. This new TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, is set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
FAP announcement No. 5/2016	FAP Guidance on derecognition of financial assets and financial liabilities

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of this new TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

17 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2015 and the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015, which are included in the 2016 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2016 interim financial statements.

	2015					
	Consolidated financial statements			Separate financial statements		
	Before reclassifi- cation	Reclassi- fication	After reclassifi- cation	Before reclassifi- cation	Reclassifi- cation	After reclassifi- cation
	<i>(in million Baht)</i>					
<i>Statement of financial position</i>						
Trade and other receivables	1,013	(90)	923	310	-	310
Short-term loans to other parties	19	90	109	-	-	-
Leasehold rights	786	(56)	730	101	-	101
Trade and other payables	(2,525)	56	(2,469)	(348)	-	(348)
		<u>-</u>			<u>-</u>	
<i>Statement of comprehensive income for the three-month period ended 30 September</i>						
Revenues from hotel operations and related services	(1,911)	13	(1,898)	(525)	5	(520)
Cost of sales - hotel operations and related services	1,369	(13)	1,356	358	(5)	353
		<u>-</u>			<u>-</u>	

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	2015					
	Consolidated financial statements			Separate financial statements		
	Before reclassifi- cation	Reclassi- fication	After reclassifi- cation <i>(in million Baht)</i>	Before reclassifi- cation	Reclassifi- cation	After reclassifi- cation
<i>Statement of comprehensive income for the nine-month period ended 30 September</i>						
Revenues from hotel operations and related services	(6,359)	35	(6,324)	(1,642)	15	(1,627)
Cost of sales - hotel operations and related services	4,112	<u>(35)</u>	4,077	1,057	<u>(15)</u>	1,042
		<u><u>-</u></u>			<u><u>-</u></u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.