

**Central Plaza Hotel Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2019**

**1. General information**

Central Plaza Hotel Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and subsequently registered the change of its status to a public limited company under the Public Limited Companies Act, and domiciled in Thailand. The Company’s major shareholders during the financial year were Chirathivat group (61.9% shareholding) (2018: 61.9% shareholding). The Company is principally engaged to operate hotel business, hotel management and food and beverage business. The registered office address of the Company is at 1695 Phaholyothin Road, Chatuchak, Bangkok.

**2. Basis of preparation**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**2.2 Basis of consolidation**

- a) The consolidated financial statements include the financial statements of Central Plaza Hotel Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

***Subsidiaries directly held by the Company***

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2019</u> Percent	<u>2018</u> Percent
Central Samui Beach Resort Co., Ltd.	Hotel	Thailand	100	100
Central Karon Village Co., Ltd.	Hotel	Thailand	100	100
Central Krabi Bay Resort Co., Ltd.	Hotel	Thailand	100	100
Central Hua Hin Beach Resort Co., Ltd.	Hotel	Thailand	63.9	63.9
Central World Hotel Co., Ltd.	Hotel	Thailand	100	100
Central Koh Kood Hotel Co., Ltd.	Not operate yet	Thailand	100	100
Central Hotel Management Co., Ltd.	Holding company	Thailand	100	100
Central Restaurants Group Co., Ltd.	Food and beverage	Thailand	100	100
Triplene Décor Co., Ltd.	Not operate yet	Thailand	100	100
Central Samui Hotel Management Co., Ltd.	Hotel	Thailand	100	100
Centara International Management Co., Ltd.	Holding company and hotel management	Thailand	100	100
S.P. Realty Had Farang Resort Co., Ltd.	Not operate yet	Thailand	100	100
S.P. Realty Pattaya Beach Co., Ltd.	Not operate yet	Thailand	100	100
Refresh Zone Co., Ltd.	Spa	Thailand	100	100
Central Bangkok Convention & Exhibition Co., Ltd.	Not operate yet	Thailand	100	100
Centara International Management (Thailand) Co., Ltd.	Hotel management	Thailand	100	100
Karon Phuket Hotel Co., Ltd.	Hotel	Thailand	99.3	99.3
Cosi Hotel Co., Ltd.	Hotel	Thailand	100	100
Centara Import-Export Co., Ltd.	Import and export	Thailand	100	100
Cosi Hotel Management Co., Ltd.	Not operate yet	Thailand	100	100
Centara Loyalty Marketing Co., Ltd.	Offer privileges for customers	Thailand	100	100
Centara Learning Centre Co., Ltd.	Learning centre	Thailand	100	100
Kata Phuket Hotel Co., Ltd.	Hotel	Thailand	99	99
Centara Management Headquarter Limited	Hotel management	Thailand	100	100
Central South Pattaya Limited	Not operate yet	Thailand	100	-

***Indirect subsidiaries held by the Company's subsidiaries***

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2019</u> Percent	<u>2018</u> Percent
<u>Investment through Central Hotel Management Co., Ltd.</u>				
Central Sukhontha Hotel Co., Ltd.	Hotel	Thailand	100	100
Central Mae Sot Hill Hotel Co., Ltd.	Hotel	Thailand	98.4	98.4
Central Laundry Services Co., Ltd.	Not operate yet	Thailand	100	100
<u>Investment through Central Samui Beach Co., Ltd.</u>				
Central Samui Village Co., Ltd.	Hotel	Thailand	100	100
<u>Investment through Central Restaurants Group Co., Ltd.</u>				
CRG Manufacturing Co., Ltd.	Food and beverage	Thailand	100	100
CRG International Food Co., Ltd.	Food and beverage	Thailand	100	100
Central Restaurants Group (HK) Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	100	-
<u>Investment through Central Krabi Bay Resort Co., Ltd.</u>				
S.P. Realty Lanta Beach Co., Ltd.	Not operate yet	Thailand	100	100
<u>Investment through Centara International Management Co., Ltd.</u>				
Centara Maldives Pvt. Ltd.	Hotel	Maldives	75	75
R.M.L. Leisure Pvt. Ltd.	Hotel	Maldives	74	74
Centara (Shanghai) Hotel Management Co., Ltd.	Not operate yet	China	100	100
CIM for Hotel Management - Egypt, S.A.E.	Not operate yet	Egypt	100	100
<u>Investment through Centara Management Headquarter Limited</u>				
Centara Capital Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	100	100
Centara Singapore Private Limited	Holding company	Singapore	100	-
<u>Investment through Centara Capital Limited</u>				
Lagoon Assets Private Limited	Not operate yet	Maldives	100	100
Centara Lagoon Private Limited	Not operate yet	Maldives	100	-
<u>Investment through Centara Singapore Private Limited</u>				
Centara Japan Capital Godo Kaisha	Holding company	Japan	100	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses are translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
  - f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
  - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, associate and joint venture under the cost method.

### **3. New financial reporting standards**

#### **(a) Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Groups’ financial statements. However, the new standard involves changes to key principles, which are summarised below:

## **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

### **(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

## **Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7                                      Financial Instruments: Disclosures

TFRS 9                                      Financial Instruments

Accounting standard:

TAS 32                                      Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16                                   Hedges of a Net Investment in a Foreign Operation

TFRIC 19                                   Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### *Revenues from hotel operations and related services*

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

###### *Revenue from management of loyalty programme*

The revenue from loyalty programme is recognised upon the redemption and fulfilment of obligation.

###### *Revenues from food and beverage*

Revenues from restaurant business are recognised when food and beverage are sold to the customers.

###### *Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

###### *Management fee income*

Management fee income is recognised over the period of management agreement in accordance with terms and conditions stipulated in the agreements.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

###### *Dividend income*

Dividend income is recognised in profit or loss when the right to receive the dividend is established.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

## **4.4 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost is calculated using the first in first out principle for food and beverage, finished goods, raw materials for manufacturing and spa products and using the moving average principle for ice-cream products, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

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

## **4.5 Investments**

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method less allowance for loss on impairment (if any).



The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### **4.6 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Buildings and building improvements	15 and 30 years
Equipment	15 years

No depreciation is provided on freehold land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### **4.7 Property, plant and equipment/ Depreciation**

Land is stated at cost. Buildings, equipment and leasehold improvements are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Land improvements	-	10 - 25 years or lease agreement
Buildings and building improvements	-	10 - 50 years
Machinery and equipment	-	5 - 30 years
Office equipment, tools, furniture and fixtures	-	3 - 19 years
Lease improvements	-	3 - 20 years
Motor vehicles	-	5 - 10 years

Depreciation is included in determining income.

Stocks of linen, china, glass and silver are determined quarterly by a physical count and valued at net book value. The cost of uniforms and kitchen utensils purchased has been regarded as a base value. Subsequent purchases are expensed when incurred, except the additional purchase for newly opened restaurants.

No depreciation is provided on land and assets under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.8 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.9 Leasehold rights

Leasehold rights are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Amortisation is calculated over the term of each lease contract.

#### 4.10 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	- 10 years
License agreements	- 10 years
Deferred initial fees	- 10 years

#### 4.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.12 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### **4.13 Long-term leases**

##### *Finance leases*

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

##### *Operating leases*

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### **4.14 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.15 Impairment of assets**

At the end of each reporting period, the Group perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### **4.16 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### *Defined contribution plans*

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Group have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

#### **4.17 Provisions**

Provisions are recognised when the Group have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.18 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current income tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.19 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Impairment of investments**

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

### **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and intangible assets and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that the Group will have taxable profit that will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.



## 6. Related party transactions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Rental income	-	-	2,930	2,930	Contractually agreed prices
Interest income	-	-	91,905	79,139	Bank interest rate
Management fee income	-	-	179,109	199,663	Contractually agreed prices
Income from loan guarantee	-	-	6,989	9,356	Contractually agreed prices
Dividend income	-	-	985,932	1,224,530	Dividend announcement
Interest expense	-	-	18,704	19,967	Bank interest rate
Other expenses	-	-	5,665	5,177	Agreed prices
Rental expense	-	-	6,974	6,974	Contractually agreed prices
Management fee expense	-	-	147,279	158,387	Contractually agreed prices
<u>Transactions with associated companies</u>					
Rental income	100,333	100,333	50,333	50,333	Contractually agreed prices
Dividend income	23,744	24,328	23,744	24,328	Dividend announcement
Rental expense	183,546	183,546	-	-	Contractually agreed prices
<u>Transactions with related companies</u>					
Rental income	14,279	14,279	-	-	Contractually agreed prices
Management fee income	9,234	13,747	-	-	Contractually agreed prices
Other income	16,568	18,157	-	-	Agreed prices
Rental expense	708,293	659,276	131,512	124,411	Contractually agreed prices
Electricity expense	37,200	36,500	37,200	36,500	Contractually agreed prices
Management fee expense	33,982	32,803	15,315	14,586	Contractually agreed prices
Finance and accounting service expense	32,540	30,772	-	-	Contractually agreed prices
Other service fees	17,492	19,960	-	-	Agreed prices

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related parties were as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Trade and other receivables - related parties (Note 9)</b>				
Subsidiaries	-	-	37,257	34,142
Related companies (related by common directors)	20,081	21,549	4,512	3,132
Total trade and other receivables - related parties	<u>20,081</u>	<u>21,549</u>	<u>41,769</u>	<u>37,274</u>
<b>Dividend receivables - related parties</b>				
Subsidiaries	-	-	210,000	277,000
Total dividend receivables - related parties	<u>-</u>	<u>-</u>	<u>210,000</u>	<u>277,000</u>
<b>Trade and other payables - related parties (Note 22)</b>				
Subsidiaries	-	-	22,028	12,398
Related companies (related by common directors)	10,019	4,938	-	84
Total trade and other payables - related parties	<u>10,019</u>	<u>4,938</u>	<u>22,028</u>	<u>12,482</u>

### Loans to related parties

As at 31 December 2019 and 2018, the balance of short-term and long-term loans to related parties and the movements are as follows:

Loans to related parties	Interest rate		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Percent per annum)					
<b>Short-term loans</b>						
Subsidiaries	3.0	3.0	-	-	471,103	322,824
<b>Long-term loans</b>						
Subsidiaries	3.0	3.0	-	-	2,505,421	2,139,177
<b>Total</b>			<u>-</u>	<u>-</u>	<u>2,976,524</u>	<u>2,462,001</u>

Movements during the years ended 31 December 2019 and 2018 of loans to related parties were as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Loans to related parties</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	2,660,501	3,049,850
Increase	-	-	4,531,280	2,962,559
Decrease	-	-	(3,970,557)	(3,351,908)
Total	-	-	3,221,224	2,660,501
Less: Allowance for doubtful debts	-	-	(244,700)	(198,500)
At 31 December	-	-	2,976,524	2,462,001

### Loans from related parties

As at 31 December 2019 and 2018, the balance of short-term and long-term loans from related parties are as follows:

Loans from related parties	Interest rate		Consolidated		(Unit: Thousand Baht)	
					Separate	
	financial statements		financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Percent per annum)					
<b>Short-term loans</b>						
Subsidiaries	1.65 - 3.0	1.4 - 3.0	-	-	520,180	414,373
<b>Long-term loans</b>						
Other related parties	3.0	3.0	52,329	52,329	-	-
<b>Total</b>			52,329	52,329	520,180	414,373

Movements during the years ended 31 December 2019 and 2018 of loans from related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Short-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	414,373	1,272,900
Increase	-	-	2,224,071	1,885,850
Decrease	-	-	(2,118,264)	(2,744,377)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>520,180</b>	<b>414,373</b>
<b>Long-term loans</b>				
<b>Other related parties</b>				
At 1 January	52,329	60,989	-	-
Decrease	-	(8,660)	-	-
<b>At 31 December</b>	<b>52,329</b>	<b>52,329</b>	<b>-</b>	<b>-</b>

#### *Loans from related parties*

A subsidiary has long-term loans from related parties in form of promissory notes and repayable within 31 December 2020. On 1 December 2019, the subsidiary renewed the promissory notes to extend the payment term to be the earlier of 31 December 2022 and the loss of a controlling interest in the borrower by the parent company of the borrower.

#### **Significant agreements with related parties**

##### Long-term lease agreements

#### **The Company**

##### **Centara Grand at Central Plaza Ladprao Bangkok**

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.

In 2009, the Company entered into a sublease agreement with CID (“sublessor”) for the subleasing of Centara Grand at Central Plaza Ladprao Bangkok Hotel’s building 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 of 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.

## **The Subsidiaries**

### **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 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 31 December 2019, the balance of deferred income was Baht 937 million (2018: Baht 987 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 in consolidated and separate financial statements and amortises to income using the straight line method over the lease term of 30 years. As at 31 December 2019, the balance of deferred income was Baht 943 million (2018: Baht 993 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.

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 26<sup>th</sup> year from the first year of the lease period and both parties negotiate and finalise the details for renewal of lease agreement within the 27<sup>th</sup> 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 Management Company 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 Management Company of CTARAF confirmed that new rental rate would be the same as the previous rental rate. Whereas CSHM proposed that new rental rate would be 100 percent of EBITDA. Therefore, the Management Company of CTARAF and CSHM could not agree on the new rental rate.

On 3 April 2015, the Management Company 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.

On 19 May 2015, the Management Company of CTARAF reported to the Stock Exchange of Thailand that the Management Company announced the seeking of a new sublessee and invited the interested parties for bids. On 14 August 2015, the Management Company 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.

On 13 March 2017, the Management Company of CTARAF reported to the Stock Exchange of Thailand that the Management Company was searching for additional sublease proposals other than those 3 alternatives proposed in the Unitholders' Meeting on 28 October 2016 by scheduling proposals submission date on 2 May 2017.

On 28 November 2017, the Management Company of CTARAF reported to the Stock Exchange of Thailand regarding to resolutions at the Unitholders' Meeting which 1) acknowledged the report on the progress of the Management Company's implementations regarding the sublease of Centara Grand Beach Resort Samui Hotel Project 2) approved the 4<sup>th</sup> option in the proposal of the sublease of the building of Centara Grand Beach Resort Samui Hotel from CSHM, which the rental fee is fixed during the first year at Baht 168 million and increases by 3 percent for every 3 years, and will be effective from the date of the new sublease agreement until 25 September 2038, including approval of the rental fee for the period from 26 September 2014 to the date on which the Property Fund has entered into a new sublease agreement with CSHM at the rate of 100 percent of EBITDA calculated from the business operation of Centara Grand Beach Resort Samui Hotel during such period 3) approved the amendment to the Fund Scheme. The new sublease agreement as resolution of the stated unitholders' meeting has been prepared and is effective on 1 January 2018. In addition, CPH entered in to a guarantee agreement with CTARAF to guarantee the performance of CSHM under the sub-lease agreement as required by a condition of the new sub-lease agreement.



**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 year ended 31 December 2019, CWH recorded rental expense of Baht 40.2 million (2018: Baht 38.3 million).

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 the land owner, the Crown Property Bureau, at the date that those repairs and maintenance or construction completed.

**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 and recorded the prepayment as leasehold right in the consolidated statement of financial position. For the year ended 31 December 2019, COSI has recorded rental expense of Baht 2.3 million (2018: Baht 2.1 million).

On 5 April 2019, Cosi Hotel Co., Ltd. (“COSI”) entered into a 30-year land sublease agreement with Ploenruedee Co., Ltd. to develop Cosi Hotel, Tha Phae. COSI is required to pay a consideration of Baht 15.0 million and records the prepayment as leasehold right in the consolidated statement of financial position. In addition, COSI agrees to pay the sublease fee and management fee over the sublease term in accordance with the agreement totaling Baht 135.5 million. During the year ended 31 December 2019, COSI has recorded the lease expense of Baht 0.7 million.

*Future minimum lease payments under non-cancellable leases of the Group*

As at 31 December 2019 and 2018, the future minimum lease payments under non-cancellable leases were payable as follows.

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2019	2018	2019	2018
In up to 1 year	870	780	140	132
In over 1 year and up to 5 years	1,895	1,693	648	612
In over 5 years	3,778	4,060	596	772
Total	6,543	6,533	1,384	1,516

## Long-term service agreements

### **The Company**

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 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 agrees to pay service fee of Baht 1 million per month, the agreement is automatically renewable annually with a 5 percent increase of service fee every year.

On 1 July 2016, the Company entered into management fee agreement with Centara International Management Co., Ltd. The stated agreement shall continue effective in full force until either party terminates the agreement or ceases its business operation. Such agreement due on monthly basis term and the Company would receive management fees at the rates specified in the agreement.

On 1 January 2017, the Company entered into management fee agreements with Centara International Management (Thailand) Co., Ltd. and Centara Management Headquarters Limited. The stated agreements shall continue effective in full force until either party terminates the agreement or ceases its business operation. Such agreements due on monthly basis term and the Company would receive management fees at the rates specified in the agreements.

On 1 December 2017, the Company entered into a financial consulting and management service agreement with Central Restaurants Group Co., Ltd. ("CRG") to provide consulting service along with suggestions relevant to food business operation of CRG. The Company would receive quarterly management fee of Baht 1.25 million. Such agreement has a three-year term, commencing from 1 January 2017 to 31 December 2019, which either party has the right to terminate the agreement before such due date by informing in written notice to the other party in advance not less than 30 days.

On 28 November 2016 and 26 February 2018, the Company entered into a service agreement with Centara Management Headquarters Limited in order to receive regulatory services, order and control hotel operations under the hotel name. The agreement is effective from 1 July 2016 to 31 December 2018 and 26 November 2017 to 31 December 2018, respectively. The agreement is automatically renewable annually every year. Subsequently, on 1 November 2019, the Company renewed the service agreement with Centara Management Headquarters Limited. The agreement is effective from 1 January 2019 to 31 December 2020. The Company agrees to pay service fee at the rate specified in the agreement. The agreement is automatically renewable annually every year.

## **The 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 31 December 2019, the balance of deferred income was Baht 69.0 million (31 December 2018: Baht 83.3 million) in the consolidated financial statements.

On 31 January 2012, Central Restaurants Group Co., Ltd. (“CRG”) 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 CRG. CRG agreed to pay service fee of Baht 500,000 per month, the agreement is automatically renewable annually with a 5 percent increase of service fee every year.

On 1 January 2015, Central Restaurants Group Co., Ltd. (“CRG”) entered into legal consultant service agreement with Harng 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. Subsequently, on 1 July 2019, CRG renewed the service agreement with Harng Central Department Store Co., Ltd. The agreement is effective from 1 January 2019 to 31 December 2020. CRG agrees to pay service fee at Baht 77,000 per month.

On 17 April 2017, Central Restaurants Group Co., Ltd. (“CRG”) entered into a service agreement with Harng Central Department Store Co., Ltd., commencing from 1 October 2016 to 31 December 2021, in order to receive finance and accounting service. The agreement is automatically renewable for 3 years each. CRG agreed to pay service fee based on specified in the agreement with a 5.7 percent increase of service fee every year.

On 1 August 2017, Central Restaurants Group Co., Ltd. (“CRG”) entered into human resources management service agreement with Harng Central Department Store Co., Ltd. in order to receive human resources management service to enhance efficiency and support the growth of business by agreeing to pay service fee specified in the agreement. The agreement has a period of 1 year, commencing from 1 January 2018 to 31 December 2018. Unless either party terminate the agreement in advance not less than 30 days, this would be considered as one year renewal term with the same consent and conditions except service fee rate which both parties may reconsider.

### 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:

	(Unit: Million Baht)	
	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
<b>Operating lease commitments (only fixed rental and service fees and minimum lease payment)</b>		
In up to 1 year	466	394
In over 1 year and up to 5 years	350	228
In over 5 years	22	24
Total	<u>838</u>	<u>646</u>

### Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated financial statements and separate financial statements			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	100	84	100	84
Post-employment benefits	3	2	3	2
Total	<u>103</u>	<u>86</u>	<u>103</u>	<u>86</u>

## **7. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash on hand	95,317	99,252	1,516	1,714
Cash at banks - current accounts	420,210	732,788	62,489	138,097
Cash at banks - savings accounts	502,454	219,368	-	-
Fixed deposits with maturity less than three-month	1,005,720	230,135	-	-
Total	<u>2,023,701</u>	<u>1,281,543</u>	<u>64,005</u>	<u>139,811</u>

As at 31 December 2019, bank deposits carried interests between 0.13 and 1.55 percent per annum (2018: between 0.13 and 1.40 percent per annum).

## 8. Current investments

As at 31 December 2019 and 2018, the Company had current investments in trading securities as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2019</u>	<u>2018</u>
Fixed deposits with maturity within six-month	787,939	898,690
Total	<u>787,939</u>	<u>898,690</u>

As at 31 December 2019, fixed deposits carried interests between 1.45 and 1.80 percent per annum (2018: between 1.50 and 1.75 percent per annum).

## 9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Trade accounts receivable - unrelated parties</b>				
<i>Aged on the basis of due dates</i>				
Not yet due	241,512	280,978	51,969	68,074
Past due				
Not over 3 months	62,006	96,717	16,699	20,462
3 - 6 months	9,989	18,054	313	61
6 - 12 months	3,069	18,559	85	12,928
Over 12 months	11,434	11,989	4,158	762
Total trade accounts receivable - unrelated parties	328,010	426,297	73,224	102,287
Less: Allowance for doubtful debts	(14,689)	(12,664)	(4,074)	(4,981)
Total trade accounts receivable - unrelated parties, net	<u>313,321</u>	<u>413,633</u>	<u>69,150</u>	<u>97,306</u>
<b>Trade accounts receivable - net</b>	<u>313,321</u>	<u>413,633</u>	<u>69,150</u>	<u>97,306</u>
<b>Other receivables</b>				
Other receivables - related parties	20,081	21,549	41,769	37,274
Other receivables - unrelated parties	358,764	347,723	21,677	57,316
Prepaid expenses	71,202	73,404	22,299	22,611
Prepayment purchase of goods	1,136	7,120	-	-
Total other receivables	<u>451,183</u>	<u>449,796</u>	<u>85,745</u>	<u>117,201</u>
Total trade and other receivables - net	<u>764,504</u>	<u>863,429</u>	<u>154,895</u>	<u>214,507</u>

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

## 10. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Food and beverage	76,072	80,233	17,213	16,798
Raw materials	488,794	489,959	-	-
Work in process	18,994	5,829	-	-
Finished goods	8,421	7,972	-	-
Operating supplies	268,741	248,562	10,943	10,515
Others	14,737	14,795	1,241	1,367
	<u>875,759</u>	<u>847,350</u>	<u>29,397</u>	<u>28,680</u>
Less: Allowance for obsolete stock	<u>(4,267)</u>	<u>(2,531)</u>	<u>-</u>	<u>-</u>
<b>Net</b>	<u><u>871,492</u></u>	<u><u>844,819</u></u>	<u><u>29,397</u></u>	<u><u>28,680</u></u>

### Inventories recognised as an expense in

#### 'cost of sales':

- Cost	5,155,621	5,116,590	290,594	311,887
- Write-down to net realisable value (reversal of)	<u>1,736</u>	<u>(76)</u>	<u>-</u>	<u>-</u>
<b>Net</b>	<u><u>5,157,357</u></u>	<u><u>5,116,514</u></u>	<u><u>290,594</u></u>	<u><u>311,887</u></u>

## 11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Withholding income tax and value added tax receivable	154,972	118,049	26,516	30,823
Undue input tax	57,651	42,394	2,515	3,833
Others	961	350	138	-
<b>Total other current assets</b>	<u><u>213,584</u></u>	<u><u>160,793</u></u>	<u><u>29,169</u></u>	<u><u>34,656</u></u>

## 12. Investment in an associate

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Associate				
At 1 January	533,619	526,615	527,635	526,614
Share of profit of investment in an associate	31,004	35,387	-	-
Unit redeemed	(16,754)	(4,055)	(16,754)	(4,055)
Dividend income	(23,744)	(24,328)	-	-
Allowance for loss on impairment decrease	-	-	7,258	5,076
At 31 December	<u>524,125</u>	<u>533,619</u>	<u>518,139</u>	<u>527,635</u>

There were no acquisition and disposal of investment in an associate during the year ended 31 December 2019.

Investment in an associate as at 31 December 2019 and 2018, and dividend income for the years then ended, were as follows:

(Unit: Thousand Baht)

Company's name	Natures of business	Country of incorporation	Consolidated financial statements									
			Shareholding percentage		Paid-up capital		Cost		Carrying amounts based on equity method		Dividend received during the year	
			<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			(Percent)	(Percent)								
Centara Hotels & Resorts	Property fund	Thai	25.3	25.3	2,978,368	3,044,480	753,937	770,691	524,125	533,619	23,744	24,328
Leasehold Property Fund												
Total							<u>753,937</u>	<u>770,691</u>	<u>524,125</u>	<u>533,619</u>	<u>23,744</u>	<u>24,328</u>

As at 31 December 2019, the closing price of Centara Hotels & Resorts Leasehold Property Fund was Baht 5.70 (2018: Baht 4.72). The fair value of investment in Centara Hotels & Resorts Leasehold Property Fund was Baht 462 million (2018: Baht 383 million).



(Unit: Thousand Baht)

			Separate financial statements											
Company's name	Natures of business	Country of incorporation	Shareholding percentage		Paid-up capital		Cost		Allowance for impairment of investments		Carrying amounts based on equity method		Dividend received during the year	
			<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			(Percent)	(Percent)										
Centara Hotels & Resorts Leasehold Property Fund	Property fund	Thai	25.3	25.3	2,978,368	3,044,480	753,937	770,691	(235,798)	(243,056)	518,139	527,635	23,744	24,328
Total							753,937	770,691	(235,798)	(243,056)	518,139	527,635	23,744	24,328

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

### 13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		Dividend received during the years	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
			(Percent)	(Percent)								
<b>Direct subsidiaries</b>												
Central Samui Beach Resort Co., Ltd.	670,000	670,000	100	100	814,383	814,383	-	-	814,383	814,383	174,200	194,300
Central Karon Village Co., Ltd.	37,500	37,500	100	100	76,500	76,500	-	-	76,500	76,500	10,500	9,375
Central Krabi Bay Resort Co., Ltd.	500,000	500,000	100	100	500,000	500,000	-	-	500,000	500,000	-	-
Central Hua Hin Beach Resort Co., Ltd.	185,000	185,000	63.9	63.9	198,905	198,905	-	-	198,905	198,905	94,648	112,395
Central World Hotel Co., Ltd.	1,800,000	1,800,000	100	100	1,800,000	1,800,000	-	-	1,800,000	1,800,000	-	-
Central Koh Kood Hotel Co., Ltd.	120,000	120,000	100	100	120,000	120,000	-	-	120,000	120,000	-	-
Central Hotel Management Co., Ltd.	250,000	250,000	100	100	250,000	250,000	-	-	250,000	250,000	-	-
Central Restaurants Group Co., Ltd.	620,000	620,000	100	100	669,607	669,607	-	-	669,607	669,607	210,000	277,000
Triplene Decor Co., Ltd.	80,000	80,000	100	100	80,000	80,000	-	-	80,000	80,000	-	-
Central Samui Hotel Management Co., Ltd.	1,250	1,250	100	100	1,250	1,250	(1,250)	(1,250)	-	-	-	-
Centara International Management Co., Ltd.	150,000	150,000	100	100	150,000	150,000	-	-	150,000	150,000	37,500	187,500
S.P. Realty Had Farang Resort Co., Ltd.	88,500	88,500	100	100	88,500	88,500	-	-	88,500	88,500	-	-
S.P. Realty Pattaya Beach Co., Ltd.	80,000	80,000	100	100	80,000	80,000	-	-	80,000	80,000	-	-
Refresh Zone Co., Ltd.	1,000	1,000	100	100	1,000	1,000	(1,000)	(1,000)	-	-	-	-

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		Dividend received during the years	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			(Percent)	(Percent)								
<b>Direct subsidiaries (continued)</b>												
Central Bangkok Convention & Exhibition Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-	-	1,000	1,000	-	-
Centara International Management (Thailand) Co., Ltd.	25,000	25,000	100	100	25,000	25,000	-	-	25,000	25,000	9,000	-
Karon Phuket Hotel Co., Ltd.	520,000	520,000	99.3	99.3	479,187	479,187	-	-	479,187	479,187	82,624	77,460
Cosi Hotel Co., Ltd.	500,000	171,000	100	100	500,000	171,000	-	-	500,000	171,000	-	-
Centara Import-Export Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-	-	1,000	1,000	-	-
Cosi Hotel Management Co., Ltd.	1,250	1,250	100	100	1,250	1,250	-	-	1,250	1,250	-	-
Centara Loyalty Marketing Co., Ltd.	12,500	12,500	100	100	12,500	12,500	-	-	12,500	12,500	12,500	12,500
Centara Learning Centre Co., Ltd.	2,500	2,500	100	100	2,500	2,500	-	-	2,500	2,500	-	-
Kata Phuket Hotel Co., Ltd.	120,000	120,000	99	99	170,000	170,000	-	-	170,000	170,000	23,760	29,700
Centara Management Headquarter Limited	210,000	210,000	100	100	210,000	210,000	-	-	210,000	210,000	331,200	324,300
Central South Pattaya Co., Ltd.	1,000	-	100	-	1,000	-	-	-	1,000	-	-	-

(Unit: Thousand Baht)												
Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		Dividend received during the years	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
			(Percent)	(Percent)								
Indirect subsidiaries												
Central Sukhontha Hotel Co., Ltd.	145,000	145,000	100	100	-	-	-	-	-	-	-	-
Central Samui Village Co., Ltd.	55,000	55,000	100	100	-	-	-	-	-	-	-	-
Central Mae Sot Hill Hotel Co., Ltd.	190,000	190,000	98.4	98.4	-	-	-	-	-	-	-	-
CRG Manufacturing Co., Ltd.	160,000	160,000	100	100	-	-	-	-	-	-	-	-
Central Laundry Services Co., Ltd.	1,500	1,500	100	100	-	-	-	-	-	-	-	-
CRG International Food Co., Ltd.	179,760	179,760	100	100	-	-	-	-	-	-	-	-
S.P. Realty Lanta Beach Co., Ltd.	36,000	36,000	100	100	-	-	-	-	-	-	-	-
Centara Maldives Pvt. Ltd.	797,223	797,223	75	75	-	-	-	-	-	-	-	-
R.M.L. Leisure Pvt. Ltd.	483,886	483,886	74	74	-	-	-	-	-	-	-	-
Centara (Shanghai) Hotel Management Co., Ltd.	65,696	62,257	100	100	-	-	-	-	-	-	-	-
CIM for Hotel Management Egypt, S.A.E.	577	577	100	100	-	-	-	-	-	-	-	-
Centara Capital Limited	782,434	74,807	100	100	-	-	-	-	-	-	-	-
Lagoon Assets Private Limited	1,070	1,070	100	100	-	-	-	-	-	-	-	-
Centara Singapore Private Limited	30,285	-	100	-	-	-	-	-	-	-	-	-
Centara Lagoon Private Limited	-	-	100	-	-	-	-	-	-	-	-	-
Centara Japan Capital Godo Kaisha	-	-	100	-	-	-	-	-	-	-	-	-
Central Restaurants Group (HK) Limited	-	-	100	-	-	-	-	-	-	-	-	-
Total					6,233,582	5,903,582	(2,250)	(2,250)	6,231,332	5,901,332	985,932	1,224,530

### 13.2 Details of investments in subsidiaries that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the years		(Unit: Thousand Baht) Dividend paid to non-controlling interests during the years	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Percent)	(Percent)						
<u>Subsidiary directly held by the Company</u>								
Central Hua Hin Beach Resort Co., Ltd.	36.05	36.05	79,728	94,261	38,820	48,037	(62,564)	(63,355)
<u>Subsidiary companies hold by Centara International Management Co., Ltd.</u>								
Centara Maldives Pvt. Ltd.	25.00	25.00	218,342	234,857	31,166	34,085	(31,282)	(32,965)
R.M.L. Leisure Pvt. Ltd.	26.00	26.00	37,500	50,482	(5,682)	13,640	-	-

13.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Thousand Baht)

	Central Hua Hin Beach		Centara Maldives		R.M.L. Leisure Pvt.		Other individually immaterial subsidiaries		Intra-group eliminations		Total	
	Resort Co., Ltd.		Pvt. Ltd.		Ltd.							
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Non-controlling interests percentage	36.05	36.05	25	25	26	26						
Current assets	258,267	276,382	183,702	229,480	108,684	171,186						
Non-current assets	84,946	104,472	988,099	1,182,884	1,006,916	1,210,344						
Current liabilities	(99,706)	(101,330)	(172,232)	(265,179)	(584,332)	(606,110)						
Non-current liabilities	(22,349)	(18,051)	(126,200)	(207,758)	(387,038)	(581,260)						
<b>Net assets</b>	<u>221,158</u>	<u>261,473</u>	<u>873,369</u>	<u>939,427</u>	<u>144,230</u>	<u>194,160</u>						
Carrying amount of non-controlling												
interests	<u>79,728</u>	<u>94,261</u>	<u>218,342</u>	<u>234,857</u>	<u>37,500</u>	<u>50,482</u>	7,179	7,356	130,568	130,568	473,317	517,524

## Summarised information about comprehensive income

(Unit: Thousand Baht)

	Central Hua Hin Beach		Centara Maldives		R.M.L. Leisure Pvt.		Other individually		Intra-group		Total	
	Resort Co., Ltd.		Pvt. Ltd.		Ltd.		immaterial		eliminations			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue	630,273	632,856	729,219	760,327	750,406	866,635						
Profit (loss)	107,685	133,250	124,666	136,339	(21,852)	52,460						
Other comprehensive income	-	-	(65,597)	(2,432)	(28,077)	4,219						
<b>Total comprehensive income</b>	<u>107,685</u>	<u>133,250</u>	<u>59,069</u>	<u>133,907</u>	<u>(49,929)</u>	<u>56,679</u>						
Profit (loss) attributable to non-controlling interests	<u>38,820</u>	<u>48,037</u>	<u>31,166</u>	<u>34,085</u>	<u>(5,682)</u>	<u>13,640</u>	638	915	-	-	64,942	96,677
Other comprehensive income attributable to non-controlling interests	<u>-</u>	<u>-</u>	<u>(16,399)</u>	<u>(608)</u>	<u>(7,300)</u>	<u>1,097</u>	-	-	-	-	(23,699)	489

## Summarised information about cash flows

(Unit: Thousand Baht)

	Central Hua Hin Beach		Centara Maldives		R.M.L. Leisure Pvt.		Other individually immaterial subsidiaries		Intra-group eliminations		Total	
	Resort Co., Ltd.		Pvt. Ltd.		Ltd.							
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities	133,841	197,725	344,830	251,624	125,161	196,045						
Cash flows used in investing activities	11,445	(20,975)	(37,746)	(27,012)	(45,723)	(67,275)						
Cash flows used in financing activities	(148,000)	(175,050)	(273,075)	(261,416)	(114,585)	(155,154)						
Net increase (decrease) in cash and cash equivalents	<u>(2,714)</u>	<u>1,700</u>	<u>34,009</u>	<u>(36,804)</u>	<u>(35,147)</u>	<u>(26,384)</u>	(7,362)	10,088	-	-	(11,214)	(51,400)



## **13.4 Changes in investments in subsidiaries held by the Group**

### **13.4.1 Additionally call-up share capital of subsidiaries held by the Company**

On 30 April 2018, the Annual General Meeting of shareholders of Cosi Hotel Co., Ltd. (subsidiary) passed a resolution to increase its registered share capital from Baht 30 million (0.3 million ordinary shares of Baht 100 each) to Baht 500 million (5 million ordinary shares of Baht 100 each) by issuing 4.7 million ordinary shares with par value of Baht 100. The Subsidiary registered the share capital increase with the Ministry of Commerce on 2 May 2018. This incremental registered share capital is 30 percent call-up or equivalent to Baht 141 million.

On 17 June 2019, the Company paid for the additional called-up ordinary shares of Baht 329 million to Cosi Hotel Co., Ltd. (subsidiary). As a result, the total paid-up share capital of the subsidiary as at 31 December 2019 is Baht 500 million.

### **13.4.2 Additionally call-up share capital of subsidiaries held by subsidiary companies**

On 9 March 2018, Centara International Management Co., Ltd. (a subsidiary) made payment of Baht 6 million for 20 percent called up of the additional registered capital of Centara (Shanghai) Hotel Management Co., Ltd., an indirect subsidiary of the Group. Subsequently, on 6 July 2018, the subsidiary made another payment of Baht 7.5 million for 25 percent of called up of additional registered capital of such indirect subsidiary of the Group. As at 31 December 2018, the indirect subsidiary of the Group had fully called up and received payment for the additional registered capital. Subsequently, on 11 October 2019, the subsidiary made another payment of Bath 3.4 million for 13 percent of called up of additional registered capital.

On 16 January 2019, the Board of Directors of Centara Management Headquarters Limited (subsidiary) passed a resolution approving an increase in the registered capital of Centara Capital Limited, an indirect subsidiary of the Company, with the subsidiary to additionally invested in 100 percent of the newly issued capital, amounting to Baht 707.63 million. The subsidiary made a full payment for the additional ordinary share capital in February 2019.

### **13.4.3 Establishment of new subsidiaries**

Regarding the resolution of a subsidiary's Board of Directors meeting, the subsidiary established Centara Singapore Private Limited with the registered capital of USD 7 million, comprising 7 million ordinary shares of USD 1 each, in which the subsidiary holds 100 percent interest. This subsidiary registered its establishment with the Ministry of Commerce on 30 September 2019 and called for capital payment amounting to USD 1 million.

Regarding the resolution of the Company's Board of Directors, the Company established Central South Pattaya Co., Ltd. with the registered capital of Bath 1 million, comprising 0.1 million ordinary shares of Bath 10 each, in which the Company holds 100 percent interest. This subsidiary registered its establishment with the Ministry of Commerce on 1 October 2019 and called for capital payment amounting to Baht 1 million.

Regarding the resolution of a subsidiary's Board of Directors, the subsidiary established Central Restaurants Group (HK) Limited with the registered capital of HKD 1, in which the subsidiary holds 100 percent interest. This subsidiary registered its establishment with the Ministry of Commerce on 27 November 2019.

Regarding the resolution of a subsidiary's Board of Directors, the subsidiary established Centara Lagoon Private Limited with the registered capital of USD 10 million, comprising 10 million ordinary shares of USD 1 each, in which the subsidiary holds 100 percent interest. This subsidiary registered its establishment with the Ministry of Commerce on 8 December 2019.

Regarding the resolution of a subsidiary's Board of Directors, the subsidiary established Centara Japan Capital Godo Kaisha with the registered capital of JPY 100 million, in which the subsidiary holds 100 percent interest. This subsidiary registered its establishment with the Ministry of Commerce on 16 December 2019 and called for capital payment amounting to JPY 1,000.

### **13.5 Impairment testing for investments in subsidiaries which consisted of impairment indicators**

For the purpose of impairment testing for investments in subsidiaries, the Group determined the recoverable amount based on its value in use, determined by discounting the future cash flows to be generated from the continuing operations of each subsidiary by reference to 5 - 34 years of financial budgeted forecasts.

The assigned assumptions were from the management's assessment by considering the historical results and available comparable industry data, and other market factors. The key assumptions used in the estimation of the recoverable amount included discount rate, growth rate of revenue, room rate, growth rate of average room rate and occupancy rate applied to the forecasted cash flows in the model. The management's assessment of the value in use is judgemental in nature because its forecasted results is based on current economic situation while future economic outcomes is uncertain.

## 14. Investment in joint ventures

### 14.1 Details of investment in joint ventures

Investment in joint ventures represent investment in entity which is jointly controlled by the Company and another company. Details of these investment are as follows:

(Unit: Thousand Baht)

Joint ventures	Natures of business	Consolidated financial statements							
		Shareholding percentage		Carrying amounts based		Long-term loans		Total	
		2019	2018	on equity method		2019	2018	2019	2018
		(Percent)	(Percent)	2019	2018	2019	2018	2019	2018
Nakheel CT Deira Islands Hotel- FZCO	Hotel	40	40	1,661	1,887	777,893	392,238	779,554	394,125
Green Food Factory Co., Ltd.	Food and beverage	51	-	135,622	-	-	-	135,622	-
Total				137,283	1,887	777,893	392,238	915,176	394,125

In 2016, Centara Capital Limited (a foreign indirectly-held subsidiary) entered into a joint venture agreement and established Nakheel CT Deira Islands Hotel - FZCO to operate a hotel business in 2017. The subsidiary's shareholding was 40 percent of issued and paid-up capital, equivalent to Baht 1.9 million. Any decision made on related activities must be approved by the joint venturers.

In 2019, Central Restaurants Group Co., Ltd. (subsidiary) entered into a joint venture agreement and established Green Food Factory Co., Ltd. to operate food and beverage business in 2019. The subsidiary's shareholding was 51 percent of issued and paid-up capital 137 million. Any decision made on related activities must be approved by the joint ventures.

#### *Loans to joint venture*

On 28 September 2017, Centara Capital Limited (a foreign indirectly-held subsidiary) entered into a loan agreement with Nakheel CT Deira Islands Hotel - FZCO (joint venture). The subsidiary will provide loans to the joint venture for land acquisition, hotel construction, and other purposes specified in the joint venture agreement, as notified from time to time, in proportion to its shareholding. The loans carry interest at a rate specified in the agreement and full repayment of principal, together with interest, is to be made within 2115.

Movements during the years ended 31 December 2019 and 2018 of loans to joint venture were as follows:

	Interest rate		(Unit: Thousand Baht) Consolidate financial statement	
	<u>2019</u> (Percent)	<u>2018</u> (Percent)	<u>2019</u>	<u>2018</u>
<b>Joint venture</b>				
At 1 January			392,238	95,042
Addition	7.1 - 7.9	6.5 - 7.8	422,136	297,196
Effect on exchange rate			(36,481)	-
At 31 December			<u>777,893</u>	<u>392,238</u>

## 14.2 Share of comprehensive income

During the years, the Company recognised its share of comprehensive income from investment in the joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)		
Joint ventures	Consolidated financial statements	
	Share of loss from investment in joint ventures during the years	
	<u>2019</u>	<u>2018</u>
Nakheel CT Deira Islands Hotel- FZCO	(226)	-
Green Food Factory Co., Ltd.	(1,378)	-
Total	<u>(1,604)</u>	<u>-</u>

## 14.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Thousand Baht)		
	Nakheel CT Deira Islands Hotel- FZCO	
	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	443	139,531
Other receivables	204,143	859,231
Work in process	2,677,039	420,205
Other payables	(945,283)	(442,457)
Net assets	1,936,342	976,510
Shareholding percentage	40%	40%
Share of net assets	774,537	390,604
Elimination entries	-	-
Carrying amounts of joint venture based on equity method	<u>774,537</u>	<u>390,604</u>

# Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the years ended	
	31 December	
	Nakheel CT Deira Islands	
	Hotel- FZCO	
	<u>2019</u>	<u>2018</u>
Other income	272	227
Administrative expenses	(829)	(64)
Finance cost	(9)	(2)
Profit (loss) for the years	(566)	161
Total comprehensive income for the years	(566)	161
Shareholding percentage	40%	40%
Share of loss for the years	(226)	-
Elimination entries	-	-
Share of loss from investment in joint venture for the years	(226)	-

# Summarised information about financial position

	(Unit: Thousand Baht)	
	Green Food	
	Factory	
	Co., Ltd.	
	<u>2019</u>	
Cash and cash equivalents	38,362	
Other receivables	2,683	
Inventories	3,726	
Other current assets	676	
Equipment and work in process	29,422	
Other non-current assets	4,566	
Other payables	(14,337)	
Other current liabilities	(3,080)	
Net assets	62,018	
Shareholding percentage	51%	
Share of net assets	31,629	
Elimination entries	-	
Carrying amounts of joint venture based on equity method	31,629	

## Summarised information about comprehensive income

	(Unit: Thousand Baht)
	For the years ended
	31 December
	Green Food Factory
	Co., Ltd.
	<u>2019</u>
Revenues	13,737
Cost of sales	(7,820)
Administrative expense	(8,619)
Loss for the year	(2,702)
Total comprehensive income for the year	(2,702)
Shareholding percentage	51%
Share of loss for the year	(1,378)
Elimination entries	-
Share of loss from investment in joint venture for the year	(1,378)

## 15. Investment properties

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cost</b>				
At 1 January	267,560	267,560	367,490	367,490
At 31 December	267,560	267,560	367,490	367,490
<b>Accumulated depreciation</b>				
At 1 January	(120,671)	(117,515)	(129,427)	(116,507)
Depreciation charge for the year	(3,155)	(3,156)	(12,919)	(12,920)
At 31 December	(123,826)	(120,671)	(142,346)	(129,427)
<b>Net book value</b>				
At 1 January	146,889	150,045	238,063	250,983
At 31 December	143,734	146,889	225,144	238,063

The fair value of investment properties in consolidated and separate financial statements as at 31 December 2019 of Baht 1,287 million and Baht 1,002 million, respectively (2018: Baht 1,287 million and Baht 1,022 million, respectively) were determined by independent professional valuers, by using the income method, determined by discounted cash flow using risk-adjusted discount rates. Inputs used in the fair value measurement are consisted of expected market rental fee growth and average rental fee. The fair value measurement for investment properties has been categorised as a Level 3 fair value.

## 16. Property, plant and equipment

(Unit: Thousand Baht)

### Consolidated financial statements

	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress	Total
<b>Cost</b>										
1 January 2018	2,418,572	757,768	16,604,702	6,924,195	3,278,089	491,742	824,015	215,703	275,718	31,790,504
Additions	-	655	420,278	267,637	148,794	85,652	2,480	16,193	529,699	1,471,388
Transfer in/(out)	-	28,190	59,571	53,025	16,083	16	25,925	3,115	(203,344)	(17,419)
Disposals	-	-	(258,775)	(93,566)	(36,027)	(49,427)	(3,814)	(12,121)	(14,257)	(467,987)
Effect of movements in exchange rates	-	(236)	(12,303)	(3,799)	(2,025)	(293)	(9,558)	(564)	(694)	(29,472)
31 December 2018	2,418,572	786,377	16,813,473	7,147,492	3,404,914	527,690	839,048	222,326	587,122	32,747,014
Additions	-	6,224	448,747	307,684	128,760	71,884	19,311	8,630	1,012,992	2,004,232
Transfer in/(out)	-	3,265	215,689	149,735	90,080	109	70,732	1,250	(551,586)	(20,726)
Disposals	-	(485)	(346,359)	(96,094)	(49,126)	(50,126)	(398)	(6,233)	(7,082)	(555,903)
Effect of movements in exchange rates	-	(2,381)	(173,624)	(47,244)	(20,003)	(4,316)	-	(1,627)	18,715	(230,480)
31 December 2019	2,418,572	793,000	16,957,926	7,461,573	3,554,625	545,241	928,693	224,346	1,060,161	33,944,137



(Unit: Thousand Baht)

## Consolidated financial statements

	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress	Total
<b>Accumulated depreciation and impairment losses</b>										
1 January 2018	-	357,024	6,399,332	4,377,340	2,011,251	-	351,587	150,245	532	13,647,311
Depreciation for the year	-	29,769	856,330	452,867	214,978	-	49,174	13,761	-	1,616,879
Reversal of impairment losses	-	-	(10,485)	-	-	-	-	-	-	(10,485)
Transfer in/(out)	-	-	(1,039)	(567)	1,606	-	-	-	-	-
Disposals	-	-	(243,282)	(84,193)	(33,446)	-	(1,101)	(11,655)	-	(373,677)
Effect of movements in exchange rates	-	(37)	(4,425)	(1,323)	(1,034)	-	-	(82)	-	(6,901)
31 December 2018	-	386,756	6,996,431	4,744,124	2,193,355	-	399,660	152,269	532	14,873,127
Depreciation for the year	-	33,550	840,887	451,723	217,273	-	49,394	14,329	-	1,607,156
Impairment losses	-	-	23,391	-	151	-	-	-	-	23,542
Transfer in/(out)	-	-	811	(66)	(745)	-	-	-	-	-
Disposals/write-off	-	(382)	(315,371)	(91,671)	(47,004)	-	(398)	(4,847)	-	(459,673)
Effect of movements in exchange rates	-	(546)	(62,390)	(18,858)	(14,312)	-	15	(1,152)	-	(97,243)
31 December 2019	-	419,378	7,483,759	5,085,252	2,348,718	-	448,671	160,599	532	15,946,909
<b>Net book value</b>										
31 December 2018	2,418,572	399,621	9,817,042	2,403,368	1,211,559	527,690	439,388	70,057	586,590	17,873,887
31 December 2019	2,418,572	373,622	9,474,167	2,376,321	1,205,907	545,241	480,022	63,747	1,059,629	17,997,228
<b>Depreciation for the year</b>										
2018										1,616,879
2019										1,607,156

The gross amount of the Group' fully depreciated property, plant and equipment that was still in use as at 31 December 2019 amounted to Baht 6,793 million (2018: Baht 5,461 million).

(Unit: Thousand Baht)

## Separate financial statements

	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress	Total
<b>Cost</b>										
1 January 2018	774,987	299,639	2,101,258	1,176,716	541,767	149,340	812,105	69,883	45,583	5,971,278
Additions	-	-	5,343	24,675	9,156	26,140	2,437	6,518	76,777	151,046
Transfer in/(out)	-	6,066	-	16,970	269	-	25,927	-	(50,032)	(800)
Disposals	-	-	-	(4,149)	(2,109)	(16,652)	(3,814)	(870)	-	(27,594)
31 December 2018	774,987	305,705	2,106,601	1,214,212	549,083	158,828	836,655	75,531	72,328	6,093,930
Additions	-	1,847	3,837	34,528	7,753	20,914	19,310	-	152,024	240,213
Transfer in/(out)	-	3,265	8,087	16,086	12,472	-	70,733	-	(112,489)	(1,846)
Disposals/write-off	-	-	(138)	(13,723)	(2,635)	(15,358)	(398)	(1,270)	-	(33,522)
31 December 2019	774,987	310,817	2,118,387	1,251,103	566,673	164,384	926,300	74,261	111,863	6,298,775

(Unit: Thousand Baht)

## Separate financial statements

	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress	Total
<b>Accumulated depreciation</b>										
1 January 2018	-	133,813	392,091	617,064	368,799	-	346,891	53,072	-	1,911,730
Depreciation for the year	-	15,755	38,773	72,468	37,448	-	51,982	3,481	-	219,907
Disposals	-	-	(3)	(3,628)	(1,991)	-	(1,102)	(864)	-	(7,588)
31 December 2018	-	149,568	430,861	685,904	404,256	-	397,771	55,689	-	2,124,049
Depreciation for the year	-	15,445	39,132	72,292	32,568	-	48,977	3,379	-	211,793
Disposals/write-off	-	-	(44)	(12,438)	(2,233)	-	(398)	(757)	-	(15,870)
31 December 2019	-	165,013	469,949	745,758	434,591	-	446,350	58,311	-	2,319,972
<b>Net book value</b>										
31 December 2018	774,987	156,137	1,675,740	528,308	144,827	158,828	438,884	19,842	72,328	3,969,881
31 December 2019	774,987	145,804	1,648,438	505,345	132,082	164,384	479,950	15,950	111,863	3,978,803
<b>Depreciation for the year</b>										
2018										219,907
2019										211,793

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2019 amounted to Baht 700 million (2018: Baht 295 million).

Central Restaurants Group Co., Ltd. (“CRG”) entered into agreements with several 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 sublease agreement of Centara Grand at Central Plaza Ladprao Bangkok (formerly 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.

In respect to the hotel buildings, constructions and fixtures thereon of a subsidiary, Central World Hotel Co., Ltd. (“CWH”), the rights on buildings and constructions thereon which CWH repair and maintenance or construct on the sub-lease land will be transferred to the land owner, the Crown Property Bureau. As at 31 December 2019, the net book value of assets under sub-lease land agreement was Baht 1,868 million (2018: Baht 2,014 million).

## 17. Goodwill

Movements of the goodwill account during the years ended 31 December 2019 and 2018 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
<b>Cost</b>		
As at 1 January	314,602	314,602
As at 31 December	<u>314,602</u>	<u>314,602</u>

Goodwill arising from the acquisition of Central Restaurants Group Co., Ltd. and indirect interest in CRG International Food Co., Ltd. are Baht 115 million and Baht 199 million, respectively. The Group have reviewed for impairment of goodwill annually.

## CGU

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The recoverable amount of the CGU was determined to be higher than the carrying amount.

The key assumptions used in the estimation of value in use were as follows.

	Consolidated financial statements			
	Central Restaurants		CRG International	
	Group Co., Ltd.		Food Co., Ltd.	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Percent)	(Percent)	(Percent)	(Percent)
Growth rate				
Year 1 - 5	10 - 11	11 - 13	4 - 10	5 - 10
After year 5	-	-	-	-
Gross margin	64	64	70	69
Discount rate	9.9	10.7	9.9	10.7

Five years of cash flows were included in the discounted cash flow model. The growth rate used was consistent with the industry forecasts. Gross margin was based on past performance and its expectations of market development. The discount rate was a post-tax measure estimated based on the weighted average cost of capital of the Group and average rate of the industry in which the Group operated.

## 18. Leasehold rights

A reconciliation of the net book value of leasehold rights as at 31 December 2019 and 2018 was presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
At 1 January	1,941,087	2,103,218	1,192,617	1,240,229
Additions	179,330	183,285	131,880	124,981
Effect of movements in exchange rates	(6,571)	(2,196)	-	-
Disposal	-	(2,025)	-	-
Amortisation charge for the year	(337,257)	(341,195)	(180,196)	(172,593)
At 31 December	<u>1,776,589</u>	<u>1,941,087</u>	<u>1,144,301</u>	<u>1,192,617</u>

- 1) A subsidiary acquired leasehold right of Lagoon in Republic of Maldives totaling of Baht 365 million during 2017.
- 2) During 2017, the Company entered into lease agreement, purchase of durable assets agreement, and rights to use public area agreement with Dhanarak Asset Development Co, Ltd. ("DAD") in the duration according to the agreements, commencing from 26 November 2017 to 30 June 2038, without extension period. The Company as a partner has been granted leasehold rights in the private partnership project for leasehold rights of buildings and convention centre and hotel at The Government Complex Commemorating His Majesty The King's 80th Birthday Anniversary, 5th December, B.E. 2550 (the "Project") from DAD to operate convention centre and hotel including businesses and other relevant activities under conditions, requirements, and scopes in the agreements.

In the consideration thereof, the Company agreed to pay one-time partnership fee throughout the lease term to DAD in the amount of Baht 1,179.7 million upon the date of signing agreement. Fee is divided into fee for leasing of the Project's area totalling Baht 452.9 million and fee for using the Project's assets totalling Baht 726.8 million (including VAT), including purchase of assets which were operating equipment and inventories totalling Baht 17.1 million (including VAT).

Assets, which the Company has maintained, renovated, developed on building and construction, area of the Project and assets of the Project, will be transferred to DAD immediately when the said construction, developing, replacing, being used, revising are completed.

## 19. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Computer software	License agreements	Deferred initial fees	Total
<b>Cost</b>				
1 January 2018	285,708	239,926	425,029	950,663
Additions	33,926	-	76,089	110,015
Transfer in	17,419	-	-	17,419
Write-off	(29,824)	-	(8,520)	(38,344)
Effect of movements in exchange rates	(6,842)	-	-	(6,842)
31 December 2018	300,387	239,926	492,598	1,032,911
Additions	35,289	-	50,765	86,054
Transfer in	20,726	-	-	20,726
Write-off	(341)	-	(78,646)	(78,987)
Effect of movements in exchange rates	(1,408)	-	-	(1,408)
31 December 2019	354,653	239,926	464,717	1,059,296
<b>Accumulated amortisation</b>				
1 January 2018	232,294	151,955	177,132	561,381
Amortisation	17,158	23,991	38,143	79,292
Impairment loss from discontinued branches	(21)	-	(1,786)	(1,807)
Accumulated amortisation of assets write-off	(30,086)	-	(7,023)	(37,109)
Effect of movement in exchange rates	(4,859)	-	-	(4,859)
31 December 2018	214,486	175,946	206,466	596,898
Amortisation	18,522	23,993	42,740	85,255
Impairment loss from discontinued branches (reversal)	2,394	-	(179)	2,215
Accumulated amortisation of assets write-off	(304)	-	(77,348)	(77,652)
Effect of movement in exchange rates	(1,098)	-	-	(1,098)
31 December 2019	234,000	199,939	171,679	605,618
<b>Net book value</b>				
31 December 2018	85,901	63,980	286,132	436,013
31 December 2019	120,653	39,987	293,038	453,678

	(Unit: Thousand Baht)
	Separate
	financial statements
	Computer software
<b>Cost</b>	
1 January 2018	91,051
Additions	3,944
Transfer in	797
Write-off	(28,923)
31 December 2018	66,869
Additions	510
Transfer in	1,846
Write-off	(272)
31 December 2019	68,953
<b>Accumulated amortisation</b>	
1 January 2018	80,762
Amortisation	5,059
Accumulated amortisation of assets write-off	(28,918)
31 December 2018	56,903
Amortisation	4,040
Write-off	(264)
31 December 2019	60,679
<b>Net book value</b>	
31 December 2018	9,966
31 December 2019	8,274

## 20. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deposits	547,430	585,215	5,762	5,139
Advance payment for construction	23,067	10,436	-	-
Prepaid for car park service	57,144	61,540	-	-
Accrued interest - loan to joint venture	53,881	12,008	-	-
Others	1,375	1,408	1,375	1,408
Total	682,897	670,607	7,137	6,547



## 21. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Bank overdrafts - unsecured	6.9	-	189	-
Short-term loans from financial institutions - secured	2.7 - 3.6	3.1 - 4.3	550,770	129,799
<b>Total bank overdrafts and short-term loans from financial institutions</b>			<u>550,959</u>	<u>129,799</u>

The borrowings include secured liabilities in the total amount of Baht 551 million (2018: Baht 130 million) in the consolidated financial statements. Loans from financial institutions are guaranteed by the Company and a director of the Company.

## 22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables - other parties	768,387	800,425	64,377	66,530
Amounts due to related parties	10,019	4,938	22,028	12,482
Other payables	87,750	88,050	33,565	29,091
Payables for purchase of buildings and equipment	236,807	221,347	4,051	7,282
Guest deposits	489,544	553,007	131,706	140,003
Accrued expenses	1,056,110	1,087,649	120,153	143,146
<b>Total trade and other payables</b>	<u>2,648,617</u>	<u>2,755,416</u>	<u>375,880</u>	<u>398,534</u>

## 23. Long-term loans from financial institutions

(Unit: Thousand Baht)						
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Long-term loans from financial institutions						
Secured	2.2 - 5.3	2.5 - 4.9	882,746	1,121,877	-	-
Unsecured	1.7 - 4.8	2.38 - 4.81	1,351,176	1,491,834	1,291,451	1,491,834
Total			2,233,922	2,613,711	1,291,451	1,491,834
Less: Portion due within one year			(615,629)	(234,144)	(400,000)	-
<b>Total Long-term loans from financial institutions, net of current portion</b>			<u>1,618,293</u>	<u>2,379,567</u>	<u>891,451</u>	<u>1,491,834</u>

The borrowings include secured liabilities in the total amount of Baht 883 million (2018: Baht 1,122 million) in the consolidated financial statements. Loans from financial institutions are guaranteed by the Company and a director of the Company.

The Group have to maintain financial ratios and terms and conditions as stated in the loan agreements.

As at 31 December 2019, the Group had unutilised credit facilities totalling Baht 4,273 million and Baht 1,336 million, respectively (2018: Baht 3,583 million and Baht 1,866 million, respectively).

### Long-term loan of the Company

- a) In May 2017, the Company entered into a loan agreement with a local financial institution to be source of fund for investment in Dubai project and others, which are relevant to the project, with a loan credit facility of USD 64 million. As of 31 December 2019, the stated loan was drawn down in the total amount of USD 25.7 million. The principal is payable in installment term on a three-month basis, starting from the 46<sup>th</sup> month after the agreement signing date and the interest is payable on a three-month term basis. This loan is an unsecured loan carrying an interest at the rate specified in the agreement and contains covenants in various matters, including of the maintenance of financial ratios. As at 31 December 2019, the outstanding balance of the aforesaid loan is USD 6.3 million (2018: USD 12.0 million).

- b) In June 2017, the Company entered into a loan agreement with a local financial institution for a loan of Baht 400 million with a three-year repayable term from the drawdown date. The loan carries interest at the specified rate in the agreement with six-month payable. This loan is an unsecured loan and has condition of maintaining financial ratios that the Company must comply. As at 31 December 2019, the outstanding balance of the aforesaid loan is Baht 400 million (2018: Baht 400 million).
- c) In November 2018, the Company entered into a loan agreement with a local financial institution for a loan of Baht 700 million with a three-year repayable term from the drawdown date. The loan carries interest at the specified rate in the agreement with six-month payable. This loan is an unsecured loan and has condition of maintaining financial ratios that the Company must comply. As at 31 December 2019, the outstanding balance of the aforesaid loan is Baht 700 million (2018: Baht 700 million).

#### **Long-term loan of the subsidiaries**

- d) A foreign subsidiary entered into a loan agreement with a local financial institution for a loan credit line of USD 20 million and USD 9 million. The loans were withdrew during 2013 and 2016 with a quarterly repayable term within 10 years and 7 years respectively from the first draw down date. Such loan has an interest at the specified rate as well as terms and guaranteed by a director and the parent company and conditions to maintain financial ratios in the agreement. As at 31 December 2019, the outstanding loan is USD 10.6 million and USD 5.7 million respectively (2018: USD 13.4 million and USD 7.7 million respectively).
- e) A foreign subsidiary entered into a loan agreement with a local financial institution. The loan was withdrawn in March 2017 totalling USD 20.4 million with quarterly installments payable until 2022. The loan has interest at the specified rate in the agreement. The stated loan was guaranteed by a director and the parent company including condition of maintaining financial ratios that a parent company must comply. As at 31 December 2019, the outstanding balance of the aforesaid loan is USD 4.8 million (2018: USD 9.8 million).
- f) A subsidiary entered into a loan agreement with a local financial institution, loan credit line obtained by the subsidiary is in the amount of Baht 177 million and Baht 293 million. The loan was withdrawn during 2017 and 2019 in the amount of Baht 30 million and Baht 220.2 million, respectively with quarterly installments payable term within ten years from the first drawdown date. The stated loan has interest at the specified rate in the agreement with three months payable and was guaranteed by a parent company, including condition of maintaining financial ratios that a parent company must comply. As at 31 December 2019, the outstanding balance of the aforesaid loan is Baht 26.3 million and Baht 220.2 million (2018: Baht 30 million and Baht 89.2 million, respectively).

- g) A subsidiary entered into a loan agreement with a local financial institution for a credit line of Baht 630 million. The loan was drawn down in 2019 in the amount of Baht 59.7 million and repayable in quarterly installments within five years from the first drawdown date. The loan carried interest at the rate specified in the agreement, which was payable in every three months. The loan agreement conditions required the maintenance of financial ratios. As at 31 December 2019, the outstanding balance of the loan is Baht 59.7 million.

## 24. Debentures

(Unit: Thousand Baht)				
	Interest rate	Maturity date	Consolidated and separate financial statements	
			2019	2018
No. 1/2016	2.09	30 March 2020	800,000	800,000
No. 2/2016	2.45	11 August 2021	980,000	980,000
No. 3/2016	2.78	29 September 2022	1,000,000	1,000,000
No. 3/2016	2.97	29 September 2023	1,000,000	1,000,000
No. 3/2016	3.39	29 September 2026	500,000	500,000
No. 1/2019	2.44	31 October 2024	600,000	-
			4,880,000	4,280,000
Debentures due within one year			(800,000)	-
<b>Debentures due after one year</b>			<b>4,080,000</b>	<b>4,280,000</b>

The debentures are in the name of specific holders, unsubordinated and unsecured.

These debentures contain certain restrictions and conditions relating to financial ratios, payment of dividends, decrease in paid-up share capital, pledge, mortgage, and disposal of assets, which are material for business operations.

On 31 October 2019, the Company issued name - registered, unsubordinated and unsecured debentures of 600,000 units at a price of Baht 1,000 per unit, totaling Baht 600 million. The debentures have a term of 5 years which are due in 2024, carrying a fixed interest rate at 2.44 percent per annum. The interest is payable every 6 months. The debentures have subject to conditions regarding the maintenance of financial ratios.

## 25. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deposits	1,778	2,176	3	22
Retentions	57,390	36,642	5,959	9,269
Withholding tax and value added tax payables	208,447	185,457	28,489	31,984
Total other current liabilities	<u>267,615</u>	<u>224,275</u>	<u>34,451</u>	<u>41,275</u>

## 26. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Provision for long-term employee</b>				
<b>benefits at beginning of year</b>	257,217	229,641	77,078	67,072
Included in profit or loss:				
Current service cost	27,563	25,714	9,176	11,820
Interest cost	8,072	5,377	2,242	1,471
Past service cost	58,157	-	16,957	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	3,376	-	517
Financial assumptions changes	-	(15,943)	-	(2,925)
Experience adjustments	-	34,431	-	6,746
Benefits paid during the year	<u>(40,518)</u>	<u>(25,379)</u>	<u>(3,360)</u>	<u>(7,623)</u>
<b>Provision for long-term employee</b>				
<b>benefits at end of year</b>	<u>310,491</u>	<u>257,217</u>	<u>102,093</u>	<u>77,078</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 58 million (The Company only: Baht 17 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement of the current period.

The Group expect to pay Baht 42 million of long-term employee benefits during the next year (Separate financial statements: Baht 20 million) (2018: Baht 27 million, separate financial statements: Baht 13 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 10 years (Separate financial statements: 10 years) (2018: 10 years, Separate financial statements: 10 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Discount rate	2.90	2.90	2.90	2.90
Salary increase rate	5.00 - 8.00	5.00 - 8.00	5.00 - 8.00	5.00 - 8.00
Turnover rate	5.00 - 35.00	5.00 - 35.00	5.00 - 35.00	5.00 - 35.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	(Unit: Million Baht)							
	Consolidated				Separate			
	financial statements				financial statements			
	Liability increase (decrease)				Liability increase (decrease)			
	Increase		Decrease		Increase		Decrease	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Discount rate (1%)	(19)	(15)	22	17	(4)	(3)	4	3
Salary increase rate (1%)	22	17	(19)	(15)	4	3	(4)	(3)
Turnover rate (10%)	(18)	(15)	21	17	(4)	(3)	4	3

## 27. Provision for decommissioning

	(Unit: Thousand Baht)
	Consolidated financial statements
<b>At 1 January 2018</b>	107,854
Provision made	13,940
Provision used	(5,102)
<b>At 31 December 2018</b>	116,692
Provision made	24,793
Provision used	(6,423)
<b>At 31 December 2019</b>	135,062

## 28. Premium on shares

Section 51 of the Public Companies Act. B.E. 2535 requires companies to set aside share subscription money received in excess of the issued shares' par value to a reserve account (share premium). The share premium is not available for dividend distribution.

## 29. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

### 30. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Interest income	81,815	33,191	95,112	83,302
Management fee income	213,506	224,537	15,309	35,861
Service income	-	-	168,034	167,280
Insurance claim	101,155	-	-	-
Income from loan guarantee of subsidiaries	-	-	6,989	9,356
Rental and other services income	32,294	2,652	10,376	9,475
Subsidy	12,560	12,560	-	-
Sale of used oil	19,716	17,041	-	-
Others	92,645	100,576	57,392	17,716
<b>Total other income</b>	<b>553,691</b>	<b>390,557</b>	<b>353,212</b>	<b>322,990</b>

#### Insurance claim

Due to the political unrest in Bangkok in 2010, restaurants of one subsidiary and another subsidiary sustained fire damage. Losses totaled approximately Baht 66 million, consisting of damage to fixed assets and other assets of Baht 36 million and business interruption losses of Baht 30 million. The two subsidiaries filed claims for compensation of these losses with insurance companies in 2010. However, the insurance companies denied liability and the subsidiaries filed lawsuits against the insurance companies. In March 2019 the Supreme Court's decision ordered the insurance companies to pay compensation to the subsidiaries, together with interest at 7.5 percent per annum (calculated from the filing date), or a total of Baht 101 million. As at 31 December 2019, the two subsidiaries received the compensation in full.

### 31. Expenses by nature

Significant expenses classified by nature were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost of food and beverage used	5,157,357	5,116,514	290,594	311,887
Employee benefit expenses	5,259,517	5,334,597	915,667	949,245
Royalty fee	557,630	551,349	-	-
Management fee	33,934	32,803	162,594	172,973
Land and buildings rental	2,044,722	1,908,569	11,571	9,160
Depreciation and amortisation	2,037,219	2,044,918	408,948	410,480



### 32. Employee benefit expenses

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Wages and salaries	3,879,301	3,677,191	610,293	621,231
Defined benefit plans	93,792	31,091	28,376	13,291
Defined contribution plans	47,794	48,047	21,447	22,351
Others	1,238,630	1,578,268	255,551	292,372
Total employee benefit expenses	<u>5,259,517</u>	<u>5,334,597</u>	<u>915,667</u>	<u>949,245</u>

### 33. Finance costs

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Interest expense:</b>				
Subsidiaries	-	-	18,704	19,967
Bank overdrafts, loans and debentures	214,021	204,615	166,627	149,036
<b>Total interest expense</b>	<u>214,021</u>	<u>204,615</u>	<u>185,331</u>	<u>169,003</u>

### 34. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 were made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax</b>				
Current income tax charge	296,737	409,372	-	-
Adjustment in respect of current income tax of previous year	(3,682)	4,065	(56)	-
<b>Deferred tax</b>				
Relating to origination and reversal of temporary differences	(12,251)	25,339	(36,268)	22,977
<b>Income tax (income) expenses reported in profit or loss</b>	<u>280,804</u>	<u>438,776</u>	<u>(36,324)</u>	<u>22,977</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax for actuarial gain	-	4,373	-	868
Available-for-sale investments	(4)	55	-	-
<b>Income tax income (expenses) charged to other comprehensive income</b>	(4)	4,428	-	868

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	2,089,976	2,713,065	1,027,150	1,204,444
Profit before income tax expenses				
Applicable tax rate	0 - 20%	0 - 20%	20%	20%
Accounting gain before tax multiplied by income tax rate	417,995	542,613	205,430	240,889
Effect of different tax rates in foreign jurisdictions	(7,272)	(11,279)	-	-
Effect of share of profit of investment in associate	(6,201)	(7,078)	-	-
Income not subject to tax	(26,410)	(2)	(199,275)	(249,772)
Profits subject to promotional privileges	(31,604)	(25,220)	-	-
Effects of:				
Non deductible expenses	6,186	6,907	12,216	36,366
Additional expense deduction allowed	(84,272)	(78,269)	(5,290)	(6,944)
Recognised of previously unrecognised tax losses	(10,938)	(12,019)	(56)	-
Others	4,885	4,697	(2,133)	2,438
Total	(84,139)	(78,684)	4,737	31,860
Recognition of previously unrecognised deferred tax assets during the year	(47,160)	-	(47,160)	-
Current year losses for which no deferred tax asset was recognised	40,808	8,864	-	-
Deferred income tax initial recognition and reversal	7,392	(6,130)	-	-
Unrealised losses resulting from intergroup transaction	21,077	11,627	-	-
Adjustment in respect of under (over) record of income tax of prior year	(3,682)	4,065	(56)	-
Income tax (income) expenses reported in profit or loss	280,804	438,776	(36,324)	22,977

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Financial statements			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Deferred tax assets</b>				
Difference on depreciation	51,619	42,386	-	-
Allowance for impairment of investment in associate	47,160	-	47,160	-
Financial lease liabilities	35,538	40,743	32,465	36,355
Employee benefit obligation	62,061	51,498	20,385	15,416
Loss carried forward	23,313	19,215	23,313	7,001
Others	33,071	25,803	2,317	996
<b>Total</b>	<b>252,762</b>	<b>179,645</b>	<b>125,640</b>	<b>59,768</b>
<b>Deferred tax liability</b>				
Difference on depreciation	(360,304)	(300,554)	(91,097)	(61,492)
Financial lease liabilities	(1,189)	(1,055)	-	-
Others	(1,148)	(162)	-	-
<b>Total</b>	<b>(362,641)</b>	<b>(301,771)</b>	<b>(91,097)</b>	<b>(61,492)</b>

(Unit: Thousand Baht)

	Consolidated financial statements			
	Asset		Liability	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Total</b>	<b>252,762</b>	<b>179,645</b>	<b>(362,641)</b>	<b>(301,771)</b>
Set off of tax	(133,334)	(93,200)	133,334	93,200
<b>Net deferred tax assets (liabilities)</b>	<b>119,428</b>	<b>86,445</b>	<b>(229,307)</b>	<b>(208,571)</b>

(Unit: Thousand Baht)

	Separate financial statements			
	Asset		Liability	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Total</b>	<b>125,640</b>	<b>59,768</b>	<b>(91,097)</b>	<b>(61,492)</b>
Set off of tax	(91,097)	(59,768)	91,097	59,768
<b>Net deferred tax assets (liabilities)</b>	<b>34,543</b>	<b>-</b>	<b>-</b>	<b>(1,724)</b>

As at 31 December 2019, the Group have unused tax losses totaling Baht 471 million (2018: Baht 180 million), on which deferred tax assets have not been recognised as the Group believe that the future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will be expired by 2020 - 2023.

### **35. Earnings per share**

Basic earnings per share for the owner of the Company is calculated by dividing profit for the year attributable to ordinary shareholders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

### **36. Dividends**

At the annual general meeting of the shareholders of the Company held on 25 April 2019, the shareholders approved the appropriation of dividend of Baht 0.65 per share, totaling Baht 877.5 million. The dividend was paid to shareholders during 2019.

At the annual general meeting of the shareholders of the Company held on 30 April 2018, the shareholders approved the appropriation of dividend of Baht 0.60 per share, totalling Baht 810.0 million. The dividend was paid to shareholders during 2018.

### **37. Segment information**

The Group have two reportable segments, as described below, which are the Group' strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group' reportable segments.

- Segment 1 Hotel and related services operation
- Segment 2 Food and ice-cream

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit after tax, as included in the internal management reports that are reviewed by the Group' CODM. Segment profit after tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The Group are organised into business segments. During the current year, the Group have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Group' operating segments for the years ended 31 December 2019 and 2018, respectively.

(Unit: Million Baht)

	For the years ended 31 December									
	Hotel and related services operation		Food and ice-cream operation		Total		Adjustments and eliminations		Consolidated	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Sales and services income										
- Third parties	8,439	9,364	12,184	11,899	20,623	21,263	-	-	20,623	21,263
- Related parties	10	12	98	100	108	112	(108)	(112)	-	-
Total sales and services income	8,449	9,376	12,282	11,999	20,731	21,375	(108)	(112)	20,623	21,263
Cost of sales and services	(5,475)	(5,904)	(6,771)	(6,530)	(12,246)	(12,434)	58	66	(12,188)	(12,368)
Gross profit	2,974	3,472	5,511	5,469	8,485	8,941	(50)	(46)	8,435	8,895
Unallocated income (expenses):										
Other income	1,736	1,678	200	136	1,936	1,814	(1,268)	(1,309)	668	505
Selling expenses	(492)	(513)	(503)	(500)	(995)	(1,013)	149	162	(846)	(851)
Administrative expenses	(2,350)	(2,279)	(4,474)	(4,217)	(6,824)	(6,496)	842	830	(5,982)	(5,666)
Share of profit from investment in associate	31	35	(2)	-	29	35	-	-	29	35
Finance cost	(416)	(389)	(2)	(1)	(418)	(390)	204	185	(214)	(205)
Income tax expenses	(224)	(326)	(57)	(113)	(281)	(439)	-	-	(281)	(439)
Profit for the year	1,259	1,678	673	774	1,932	2,452	(123)	(178)	1,809	2,274

## Geographic information

The Group are managed on a worldwide basis and, they operate in main geographical areas as follows:

1. Thailand is the country of the parent company which is also the main operating. The areas of operation are hotel and related services operation, food and beverage operation.
2. Republic of Maldives - The main activities are hotel and related services operation.

	(Unit: Million Baht)					
	Revenues		Segment results		Total assets	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Thailand	19,251	19,748	1,829	2,263	50,899	46,147
Republic of Maldives	1,480	1,627	103	189	2,287	2,794
Eliminations	<u>(108)</u>	<u>(112)</u>	<u>(123)</u>	<u>(178)</u>	<u>(25,596)</u>	<u>(22,494)</u>
Total	<u>20,623</u>	<u>21,263</u>	<u>1,809</u>	<u>2,274</u>	<u>27,590</u>	<u>26,447</u>

## Major customers

For the years 2019 and 2018, the Group have no major customer with revenue of 10 percent or more of an entity's revenues.

### 38. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Contribution are made monthly by the employee at rates ranging from 3 percent to 15 percent of their basic salaries and by the Group at rates ranging from 3 percent to 10 percent of the employees' basis salaries. The fund, which is managed by Krungthai Asset Management Public Co., Ltd., Siam Commercial Bank Asset Management Public Co., Ltd., and Krungsri Asset Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 by the Group amounting to approximately Baht 48 million (2018: Baht 48 million) were recognised as expenses, the Company only: Baht 21 million (2018: Baht 22 million).

## 39. Commitments and contingent liabilities

### 39.1 Capital commitments

As at 31 December 2019 and 2018, the Group had capital commitments as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Hotel construction and renovation	1,013.0	294.0	17.3	41.4
Machinery and equipment	31.4	22.7	-	-
Leasehold improvement	6.0	10.8	-	-
Total	<u>1,050.4</u>	<u>327.5</u>	<u>17.3</u>	<u>41.4</u>

### 39.2 Operating lease and service commitments

The Group have entered into several lease agreements in respect of the lease of land, building space and equipment and other service agreements. The terms of the agreements are generally between 3 and 20 years.

As at 31 December 2019 and 2018, future minimum payments required under these non-cancellable operating lease contracts and other service contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Payable:				
In up to 1 year	785.3	665.9	-	-
In over 1 year and up to 5 years	1,073.3	965.3	-	-
In over 5 years	2,949.1	3,177.3	-	-

### 39.3 Guarantees

#### 39.3.1 Bank guarantees

As at 31 December 2019 and 2018, there were outstanding bank guarantees issued by banks on behalf of the Group, in respect of the normal course of certain performance bonds as required in their business. The details of bank guarantees were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Guarantees for rental	171	76	59	59
Guarantee electricity use, among others	45	55	8	12
Total	<u>216</u>	<u>131</u>	<u>67</u>	<u>71</u>

### **39.3.2 Related parties guarantees**

#### **The Company**

As at 31 December 2019, the Company and a director of the Company provided guarantees to various local financial institutions for loans facility of four subsidiaries in the amount of Baht 3,121 million (2018: Baht 2,462 million). As at 31 December 2019, the outstanding balance of these loans are Baht 1,434 million (2018: Baht 1,252 million).

#### **Subsidiary**

As at 31 December 2019, 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 (2018: Baht 55.8 million).

### **39.4 Other service commitments**

- (a) A subsidiary entered into agreement with a company who manufactures carbonated beverage in Thailand. The subsidiary will receive supporting fund if the subsidiary follows conditions and restrictions stated in the agreement. The supporting fund received will be recorded as “deferred income” in the statement of financial position.
- (b) A subsidiary entered into agreements for purchases of raw materials with a local supplier for a period of 12 months starting from the contract date. The subsidiary agreed to purchases raw material in accordance with the price and quantity specified in the agreements and agreed to pay advance payment for raw material purchased in last month or will be returned when the agreements are expired.

### **39.5 Significant agreement**

- (a) On 30 September 2019, a subsidiary entered into an investment agreement with two Japanese companies for a hotel development in Japan whereby a subsidiary was to be established in Singapore in order to invest in a newly established company in Japan. In January 2020, the subsidiary paid JPY 30,000 for the share subscription for 30 ordinary shares of JPY 1,000 each.
- (b) On 19 December 2019, a subsidiary entered into a joint investment agreement to invest in a coffee business in Vietnam.



### 39.6 Contingent liabilities

On 12 July 2017, a subsidiary filed a lawsuit against a receivable (the objector) for compensation of totaling Baht 209.8 million plus interest with respect to the unpaid management fees of Baht 51.2 million and for other damages on the grounds of a breach of hotel management contract. On 27 December 2017, the objector filed a counterclaim rejecting to pay the compensation and demanded compensation amounting to Baht 918.4 million plus interest for the damage arising from a fraud and a breach of contract by the subsidiary during the period in which it performed the management of the objector's hotel. The subsidiary filed an objection against the claim of the objector and on 4 December 2019; and the arbitral tribunal rendered an award that the objector shall pay an amount of Baht 52.3 million to the subsidiary with interest 8.875 percent per annum, calculating from 4 December 2019 until the day the objector makes a full payment. The management believes that there is a high probability that the subsidiary will win the case even though the objector may file an appeal with the Appeal Court. As at 31 December 2019, no provision for doubtful accounts and no provision for liabilities have been made in the financial statements.

### 40. Fair value hierarchy

The Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Financial assets measured at fair value</b>								
Investments available-for-sale								
securities - debt instruments	-	-	1	1	-	-	1	1

#### Financial assets disclosure of fair value

Investment properties	-	-	-	-	1,287	1,287	1,287	1,287
-----------------------	---	---	---	---	-------	-------	-------	-------

(Unit: Million Baht)

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Financial assets disclosure of fair value</b>								
Investment properties	-	-	-	-	1,002	1,022	1,002	1,022

## **41. Financial instruments**

### **41.1 Financial risk management**

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments, temporary investments, trade and other payables, short-term and long-term loans and debentures. The financial risks associated with these financial instruments and how they are managed are described below.

#### ***Credit risk***

The Group are exposed to credit risk primarily with respect to trade and other receivables and loans. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

#### ***Interest rate risk***

The Group's exposure to interest rate risk relates primarily to their cash at banks, bank overdrafts, short-term and long-term borrowings. Most of the Group' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date.

(Unit: Million Baht)

## Consolidated financial statements

	Fixed interest rates				Floating		Non-interest bearing		Total		Effective interest rate	
	Within 1 year		1-5 year		interest rate						(% per annum)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Financial assets</b>												
Cash and cash equivalents	-	-	-	-	1,508	450	516	832	2,024	1,282	0.13 - 1.55	0.13 - 1.4
Current investments	788	899	-	-	-	-	-	-	788	899	1.45 - 1.80	1.5 - 1.75
Trade and other receivables	-	-	-	-	-	-	765	863	765	863	-	-
	<u>788</u>	<u>899</u>	<u>-</u>	<u>-</u>	<u>1,508</u>	<u>450</u>	<u>1,281</u>	<u>1,695</u>	<u>3,577</u>	<u>3,044</u>		
<b>Financial liabilities</b>												
Short-term loans from financial institutions	-	-	-	-	551	130	-	-	551	130	2.7 - 3.6	3.1 - 4.3
Trade and other payables	-	-	-	-	-	-	2,649	2,755	2,649	2,755	-	-
Long-term loans from related parties	-	-	52	52	-	-	-	-	52	52	3.0	3.0
Long-term loans from financial institutions	400	-	700	1,100	1,134	1,514	-	-	2,234	2,614	1.7 - 5.3	2.4 - 4.9
Debentures	800	-	4,080	4,280	-	-	-	-	4,880	4,280	2.1 - 3.4	2.1 - 3.4
	<u>1,200</u>	<u>-</u>	<u>4,832</u>	<u>5,432</u>	<u>1,685</u>	<u>1,644</u>	<u>2,649</u>	<u>2,755</u>	<u>10,366</u>	<u>9,831</u>		

(Unit: Million Baht)

	Separate financial statements											
	Fixed interest rates				Floating				Effective interest rate			
	Within 1 year		1-5 year		interest rate		Non-interest bearing		Total		(% per annum)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Financial assets												
Cash and cash equivalents	-	-	-	-	-	-	64	140	64	140	-	-
Trade and other receivables	-	-	-	-	-	-	155	215	155	215	-	-
Dividend receivables	-	-	-	-	-	-	210	277	210	277	-	-
Short-term loans to related parties	471	323	-	-	-	-	-	-	471	323	3.0	3.0
Long-term loans to related parties	2,505	2,139	-	-	-	-	-	-	2,505	2,139	3.0	3.0
	2,976	2,462	-	-	-	-	429	632	3,405	3,094		
Financial liabilities												
Trade and other payables	-	-	-	-	-	-	376	399	376	399	-	-
Short-term loans from related parties	-	-	520	414	-	-	-	-	520	414	1.6 - 3.0	1.4 - 3.0
Long-term loans from financial institutions	400	-	700	1,100	191	392	-	-	1,291	1,492	2.4 - 4.8	2.4 - 4.9
Debentures	800	-	4,080	4,280	-	-	-	-	4,880	4,280	2.1 - 3.4	2.1 - 3.4
	1,200	-	5,300	5,794	191	392	376	399	7,067	6,585		

### **Foreign currency risk**

The Group's exposure to foreign currency risk arise mainly from trading transactions and borrowings that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies were summarised below.

Foreign currency	Consolidated		Separate		Exchange rate as at	
	financial statements		financial statements		31 December	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
<b>Financial assets</b>						
US dollar	10	10	-	-	30.15	32.45
Yuan	1	1	-	-	4.31	4.78
<b>Financial liabilities</b>						
US dollar	35	49	6	12	30.15	32.45
Yuan	-	-	-	-	4.31	4.78

#### **41.2 Fair values of financial instruments**

Since the majority of the Group's financial instruments are short-term in nature or bear floating interest rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

#### **42. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 0.95:1 (2018: 0.97:1) and the Company's was 1.10:1 (2018: 1.07:1).

#### **43. Events after the reporting period**

The Board of Directors of a subsidiary passed a resolution for the approval of establishment of Central Restaurants Group (Vietnam) Company Limited with the registered capital of VND 23,200 million, through Central Restaurants Group (HK) Limited (a subsidiary), in which the subsidiary holds 100% interest. This company registered its establishment on 14 February 2020.

#### **44. Approval of financial statements**

These financial statements were authorised for issue by the Company's authorised directors on 26 February 2020.