

## **Central Plaza Hotel Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2021**

#### **1. General information**

##### **1.1 Corporate 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 63.3% shareholding (2020: 62.7% shareholding). The Group 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.

##### **1.2 The COVID-19 pandemic**

The COVID-19 pandemic has resulted in an economic slowdown and adversely impacted most businesses and industries in terms of supply chains, consumer spending, limited or suspended operations, operational delays, and more.

This situation significantly affects the Group’s business activities in terms of hotel business and food business since the number of foreign and local tourists have decreased and the number of restaurant customers have not yet been restored. The COVID-19 outbreak situation in Thailand has continued, causing the Group to temporarily suspend many local hotel operations of the Group from time to time. Subsequently, the government started to ease the lockdown measures and began to reopen the country to tourists on 1 November 2021, and the Group was able to return to its normal operations. However, there was a new outbreak of the COVID-19 pandemic in December 2021. These are significantly impacting the Group’s financial position, operating results, and cash flows at present, including compliance with debt covenants, and is expected to do so in the future. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgements in respect of various issues as the situation has evolved.

## 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, 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”) (collectively as “the Group”), are as follows:

### Subsidiaries directly held by the Company

| Company's name                             | Nature of business                   | Country of incorporation | Percentage of shareholding |                        |
|--|--------------------------------------|--------------------------|----------------------------|------------------------|
|  |                                      |                          | <u>2021</u><br>Percent     | <u>2020</u><br>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                    |
| Triplenine 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                    |

| Company's name  | Nature of business             | Country of incorporation | Percentage of shareholding |             |
|---|--------------------------------|--------------------------|----------------------------|-------------|
|   |                                |                          | <u>2021</u>                | <u>2020</u> |
|   |                                |                          | Percent                    | Percent     |
| 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                        | 100         |

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

| Company's name   | Nature of business | Country of incorporation | Percentage of indirect shareholding |             |
|--|--------------------|--------------------------|-------------------------------------|-------------|
|  |                    |                          | <u>2021</u>                         | <u>2020</u> |
|  |                    |                          | Percent                             | 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 Resort Co., Ltd.</u> |                    |                          |                                     |             |
| Central Samui Village Co., Ltd.                                | Hotel              | Thailand                 | 100                                 | 100         |

| Company's name   | Nature of business | Country of incorporation  | Percentage of indirect shareholding |                        |
|--|--------------------|---|-------------------------------------|------------------------|
|  |                    |   | <u>2021</u><br>Percent              | <u>2020</u><br>Percent |
| <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<br>Special<br>Administrative<br>Region of the<br>People's<br>Republic of<br>China | 100                                 | 100                    |
| Central Restaurants Group (Vietnam)                                  |                    |   |                                     |                        |
| Company Limited  | Holding company    | Vietnam   | 100                                 | 100                    |
| Brown Dessert Company Limited  | Food and beverage  | Thailand  | 51                                  | 51                     |
| STN Restaurant Company Limited                                       | Food and beverage  | Thailand  | 85                                  | -                      |
| <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.                        |                    | People's<br>Republic of<br>China  |                                     |                        |
|  | 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<br>Special<br>Administrative<br>Region of the<br>People's<br>Republic of<br>China | 100                                 | 100                    |
| Centara Singapore Private Limited                                    | Holding company    | Singapore   | 100                                 | 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                                 | 100                    |
| <u>Investment through Centara Singapore Private Limited</u>          |                    |   |                                     |                        |
| Centara Japan Capital Godo Kaisha                                    | Holding company    | Japan   | 100                                 | 100                    |
| Centara Osaka Japan Kabushiki Kaisha                                 | Not operate yet    | Japan   | 100                                 | 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. 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 shareholder’s 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, joint venture and associates under the cost method (less) allowance for impairment loss (if any).

### **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 financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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 Group’s financial statements.

Furthermore, the Group elected to adopt the amendments to TFRS 16 Leases relating to COVID-19-related rent concessions. These amendments provide a practical expedient that permits a lessee to not assess whether rent concessions are lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions are met, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2022; and there is no substantive change to other terms and conditions of the lease.

The Group applies the practical expedient to all rent concessions that meet the above conditions and the effects of the application of this expedient, due to resulting changes in payments under leases are recognised in profit or loss for the year ended 31 December 2021, amounting to Baht 246.1 million (2020: Baht 188.8 million) (the Company only: None, 2020: None). There was no impact on the opening balance of retained earnings.

**b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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

#### 4. Change in accounting policy for land from cost method to revaluation method

During the year, the Group reviewed and changed its accounting policy on the value of property, plant and equipment for land from cost method to revaluation method to reflect appropriate present value.

Regarding the change in the accounting policy, the Group has complied with TAS8. This is considered a revaluation of assets in accordance with TAS16 Property, Plant and Equipment, which does not require that the change be applied retrospectively. Therefore, the Group applied the change prospectively.

This change affects to the statements of financial position as at 31 December 2021 and the statement of comprehensive income for the year then ended as follow:

|  |                       |            |
|--|-----------------------|------------|
|  | (Unit: Thousand Baht) |            |
|  | 31 December 2021      |            |
|  | Consolidated          | Separate   |
|  | financial             | financial  |
|  | statements            | statements |
| <b>Statement of financial position:</b>    |                       |            |
| Increase in property, plant and equipment  | 12,012,829            | 3,435,813  |
| Increase in deferred tax liabilities       | 2,402,566             | 687,163    |
| Increase in surplus on revaluation of land | 12,012,829            | 3,435,813  |

|   |                       |            |
|---|-----------------------|------------|
|   | (Unit: Thousand Baht) |            |
|   | For the year ended    |            |
|   | 31 December 2021      |            |
|   | Consolidated          | Separate   |
|   | financial             | financial  |
|   | statements            | statements |
| <b>Statement of comprehensive income:</b>                   |                       |            |
| <b>Other comprehensive income:</b>                          |                       |            |
| Increase in gain on revaluation of land (net of income tax) | 9,610,263             | 2,748,650  |

## **5. Significant accounting policies**

### **5.1 Revenue and expenses 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 calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

#### **Dividends**

Dividends are recognised when the right to receive the dividends is established.



## **5.2 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.

## **5.3 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.

## **5.4 Investments in subsidiaries, joint ventures and associates**

- a) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- b) 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).

## **5.5 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.

## 5.6 Property, plant and equipment/ Depreciation

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

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

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                     |
| Furniture, fixtures and office equipment | - | 3 – 19 years                     |
| Lease improvements                       | - | 3 – 20 years                     |
| Motor vehicles                           | - | 5 – 10 years                     |

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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.

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.

## **5.7 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.

## **5.8 Intangible assets**

Intangible assets are recognised at cost. Following the initial recognition, the 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 the straight-line 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          |
| Trademark             | - 20 years          |

## 5.9 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 Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group 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.

## 5.10 Leases

### **The Group as a lessee**

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

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs or the revalued amount, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and building

lease agreement

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### **The Group as a lessor**

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

#### **5.11 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 associates, 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.

#### **5.12 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Item of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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.

### **5.13 Impairment of non-financial assets**

At the end of each reporting period, the Group perform impairment reviews in respect of the property, plant and equipment right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries 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. However, in cases where property, plant and equipment were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

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.

## **5.14 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.

## **5.15 Provisions**

Provisions are recognised when the Group has 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.



## **5.16 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 recognises 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 reviews and reduces 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 records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **5.17 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

## **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI with no subsequent classified. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Recognition and derecognition of financial instruments**

Financial assets are recognised or derecognised on the trade date, i.e., the date on which the Group becomes a party to contractual provisions of the instrument / the settlement date, i.e., the date on which an asset is delivered to or by the Group. This includes regular way trades.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 5.18 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 applies 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.

## 6. 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:

### **Leases**

#### *Determining the lease term with extension and termination options - The Group as a lessee*

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

### *Estimating the incremental borrowing rate - The Group as a lessee*

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### **Allowance for expected credit losses of loans**

The Group recognises an allowance for expected credit losses for loans to which require management to make estimates of cash flows to be received from such loans including the selection of a suitable discount rate.

### **Goodwill**

The initial recognition and measurement of goodwill 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.

### **Allowance for impairment of non-financial assets**

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to investment in associate, subsidiaries and joint venture, property, plant and equipment and goodwill recognised by the Group. The key assumptions used to determine the recoverable amount for the different cash-generating units are disclosed and further explained in Note 17 and 18.

## 7. Related party transactions

(Unit: Thousand Baht)

|   | Consolidated<br>financial statements |         | Separate<br>financial statements |         | Transfer pricing policy     |
|---|--------------------------------------|---------|----------------------------------|---------|-----------------------------|
|   | 2021                                 | 2020    | 2021                             | 2020    |                             |
| <u>Transactions with subsidiaries</u>                   |                                      |         |                                  |         |                             |
| (Eliminated from the consolidated financial statements) |                                      |         |                                  |         |                             |
| Rental income   | -                                    | -       | 2,930                            | 2,930   | Contractually agreed prices |
| Interest income   | -                                    | -       | 234,334                          | 144,778 | Bank interest rate          |
| Management fee income                                   | -                                    | -       | 65,000                           | 65,000  | Contractually agreed prices |
| Income from loan guarantee                              | -                                    | -       | 7,224                            | 6,385   | Contractually agreed prices |
| Dividend income   | -                                    | -       | 122,619                          | 144,224 | Dividend announcement       |
| Interest expense  | -                                    | -       | 6,478                            | 12,393  | Bank interest rate          |
| Other expenses  | -                                    | -       | 5,794                            | 5,775   | Agreed prices               |
| Rental expense  | -                                    | -       | 7,323                            | 7,323   | Contractually agreed prices |
| Management fee expense                                  | -                                    | -       | 19,106                           | 49,187  | Contractually agreed prices |
| <u>Transactions with an associate</u>                   |                                      |         |                                  |         |                             |
| Rental income   | 100,333                              | 100,333 | 50,333                           | 50,333  | Contractually agreed prices |
| Dividend income   | 26,591                               | 26,436  | 26,591                           | 26,436  | Dividend announcement       |
| Rental expense  | 183,546                              | 183,546 | -                                | -       | Contractually agreed prices |
| <u>Transactions with joint venture</u>                  |                                      |         |                                  |         |                             |
| Interest income   | 93,270                               | 67,698  | -                                | -       | Contractually agreed prices |
| <u>Transactions with related companies</u>              |                                      |         |                                  |         |                             |
| Rental income   | 14,279                               | 14,279  | -                                | -       | Contractually agreed prices |
| Management fee income                                   | 1,966                                | 4,358   | -                                | -       | Contractually agreed prices |
| Other income  | 400                                  | 7,642   | -                                | -       | Agreed prices               |
| Rental expense  | 589,559                              | 674,791 | 161,001                          | 152,202 | Contractually agreed prices |
| Electricity expense                                     | 19,067                               | 24,329  | 19,067                           | 24,329  | Contractually agreed prices |
| Management fee expense                                  | 36,417                               | 35,170  | 16,885                           | 16,081  | Contractually agreed prices |
| Finance and accounting<br>service expense               | 36,395                               | 34,412  | -                                | -       | Contractually agreed prices |
| Other service fees                                      | 10                                   | 40      | -                                | -       | Agreed prices               |

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related parties were as follows:

|   | Consolidated<br>financial statements |               | (Unit: Thousand Baht)<br>Separate<br>financial statements |               |
|---|--------------------------------------|---------------|---|---------------|
|   |                                      |               |   |               |
|   | <u>2021</u>                          | <u>2020</u>   | <u>2021</u>   | <u>2020</u>   |
| <b>Trade and other receivables - related parties (Note 9)</b> |                                      |               |   |               |
| Subsidiaries  | -                                    | -             | 64,761  | 39,862        |
| Joint ventures  | 17,906                               | -             | 2,037   | -             |
| Related companies (related by common directors)               | 20,223                               | 17,416        | 7,998   | 6,189         |
| Total trade and other receivables - related parties           | <u>38,129</u>                        | <u>17,416</u> | <u>74,796</u>   | <u>46,051</u> |
| <b>Dividend receivables - related parties</b>                 |                                      |               |   |               |
| Subsidiaries  | -                                    | -             | 80,000  | -             |
| Total dividend receivables - related parties                  | <u>-</u>                             | <u>-</u>      | <u>80,000</u>   | <u>-</u>      |
| <b>Trade and other payables - related parties (Note 23)</b>   |                                      |               |   |               |
| Subsidiaries  | -                                    | -             | 19,593  | 11,546        |
| Related companies (related by common directors)               | 6,226                                | 9,363         | 1   | -             |
| Total trade and other payables - related parties              | <u>6,226</u>                         | <u>9,363</u>  | <u>19,594</u>   | <u>11,546</u> |

#### Loans to related parties

As at 31 December 2021 and 2020, the balances of loans between the Group and those related companies are as follows:

| Loans to<br>related parties | Interest rate       |             | Consolidated<br>financial statements |             | (Unit: Thousand Baht)<br>Separate<br>financial statements |                  |
|-----------------------------|---------------------|-------------|--------------------------------------|-------------|---|------------------|
|                             |                     |             |                                      |             |   |                  |
|                             | <u>2021</u>         | <u>2020</u> | <u>2021</u>                          | <u>2020</u> | <u>2021</u>   | <u>2020</u>      |
|                             | (Percent per annum) |             |                                      |             |   |                  |
| <b>Short-term loans</b>     |                     |             |                                      |             |   |                  |
| Subsidiaries                | -                   | 3.0         | -                                    | -           | -   | 33,200           |
| Joint ventures              | 2.0                 | -           | 15,300                               | -           | -   | -                |
| <b>Long-term loans</b>      |                     |             |                                      |             |   |                  |
| Subsidiaries                | 3.0                 | 3.0         | -                                    | -           | 8,398,750   | 5,117,782        |
| Total                       |                     |             | <u>15,300</u>                        | <u>-</u>    | <u>8,398,750</u>  | <u>5,150,982</u> |



Movements during the year ended 31 December 2021 and 2020 of loan to related parties were as follows.

|  | (Unit: Thousand Baht) |             |                      |             |
|--|-----------------------|-------------|----------------------|-------------|
|  | Consolidated          |             | Separate             |             |
|  | financial statements  |             | financial statements |             |
|  | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| <b>Loans to related parties</b>            |                       |             |                      |             |
| <b>Subsidiaries/joint ventures</b>         |                       |             |                      |             |
| At 1 January                               | -                     | -           | 6,098,065            | 3,221,224   |
| Increase                                   | 15,300                | -           | 6,989,805            | 6,689,335   |
| Decrease                                   | -                     | -           | (3,643,337)          | (3,812,494) |
| Total                                      | 15,300                | -           | 9,444,533            | 6,098,065   |
| Less: Allowance for expected credit losses | -                     | -           | (1,045,783)          | (947,083)   |
| At 31 December                             | 15,300                | -           | 8,398,750            | 5,150,982   |

Set out below is the movement in the allowance for expected credit losses of loan to related parties.

|                                      | (Unit: Thousand Baht) |             |                      |             |
|--------------------------------------|-----------------------|-------------|----------------------|-------------|
|                                      | Consolidated          |             | Separate             |             |
|                                      | financial statements  |             | financial statements |             |
|                                      | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Beginning balance                    | -                     | -           | 947,083              | 244,700     |
| Provision for expected credit losses | -                     | -           | 98,700               | 702,383     |
| Ending balance                       | -                     | -           | 1,045,783            | 947,083     |

Short-term loans to joint venture

During the year, a subsidiary has short-term loans totalling of Baht 15.3 million to joint venture in form of promissory notes. The principal and interest are due for repayment at call.

### Loans from related parties

As at 31 December 2021 and 2020, the balance of short-term and long-term loans from related individual parties are as follows:

| (Unit: Thousand Baht)         |                     |             |                      |             |                      |             |
|-------------------------------|---------------------|-------------|----------------------|-------------|----------------------|-------------|
| Loans from<br>related parties | Interest rate       |             | Consolidated         |             | Separate             |             |
|                               |                     |             | financial statements |             | financial statements |             |
|                               | <u>2021</u>         | <u>2020</u> | <u>2021</u>          | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
|                               | (Percent per annum) |             |                      |             |                      |             |
| <b>Short-term loans</b>       |                     |             |                      |             |                      |             |
| Subsidiaries                  | 2.0 - 3.0           | 1.57 - 3.0  | -                    | -           | 156,513              | 376,520     |
| Related individual            | 2.0                 | -           | 5,250                | -           | -                    | -           |
| <b>Long-term loans</b>        |                     |             |                      |             |                      |             |
| Related individual            | 3.0                 | 3.0         | 61,125               | 52,329      | -                    | -           |
| Total                         |                     |             | 66,375               | 52,329      | 156,513              | 376,520     |

Movements during the years ended 31 December 2021 and 2020 of loans from related parties were as follows:

|                                    | Consolidated |               | (Unit: Thousand Baht) |                |
|------------------------------------|--------------|---------------|-----------------------|----------------|
|                                    |              |               | Separate              |                |
|                                    | <u>2021</u>  | <u>2020</u>   | <u>2021</u>           | <u>2020</u>    |
| <b>Short-term loans</b>            |              |               |                       |                |
| Subsidiaries/related individual    |              |               |                       |                |
| At 1 January                       | -            | -             | 376,520               | 520,180        |
| Increase from business acquisition | 5,250        | -             | -                     | -              |
| Increase                           | -            | -             | 553,368               | 1,928,220      |
| Decrease                           | -            | -             | (773,375)             | (2,071,880)    |
| <b>At 31 December</b>              | <u>5,250</u> | <u>-</u>      | <u>156,513</u>        | <u>376,520</u> |
| <b>Long-term loans</b>             |              |               |                       |                |
| Related individual                 |              |               |                       |                |
| At 1 January                       | 52,329       | 52,329        | -                     | -              |
| Increase                           | 8,796        | -             | -                     | -              |
| Less: Portion due within one year  | (52,329)     | -             | -                     | -              |
| <b>At 31 December</b>              | <u>8,796</u> | <u>52,329</u> | <u>-</u>              | <u>-</u>       |

#### Short-term loans from related individual

During the year, a subsidiary entered into short-term loan agreement with a related individual of Baht 5.3 million. This loan is uncollateralised and due for repayment at call.

#### Long-term loans from related individual

A subsidiary has long-term loans from related individuals 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 or the loss of a controlling interest in the borrower by the parent company of the borrower.

Subsequently, the subsidiary obtains additional loans from related individuals in form of promissory notes which are repayable within 31 December 2024.

#### Financial liabilities from long-term leases

Movements during the year ended 31 December 2021 and 2020 of financial liabilities from long-term leases were as follows:

|   | (Unit: Thousand Baht) |           |
|---|-----------------------|-----------|
|   | Consolidated          |           |
|   | financial statements  |           |
|   | 2021                  | 2020      |
| <b><i>Financial liabilities from long-term leases</i></b> |                       |           |
| <b>Associated company</b>                                 |                       |           |
| As at 1 January   | 1,847,072             | 1,879,669 |
| Decrease  | (29,223)              | (32,597)  |
|   | 1,817,849             | 1,847,072 |
| Less: portion due within one year                         | (61,387)              | (43,707)  |
| As at 31 December   | 1,756,462             | 1,803,365 |

## **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 was 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 had 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. The Company presented the said sublease and rental expense as right-of-use assets in consolidated and separate statement of financial position.

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 registered 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. The Group presented the said land lease agreement as financial liabilities from long-term lease in the consolidated statement of financial position.
- 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. The Group presented the said property lease agreement as financial liabilities from long-term lease in the consolidated statement of financial position.

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 received 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 obtained benefits from CTARAF on lease agreement, to be the co-guarantor in guarantee CTARAF lease fee income. In case CPH had to pay any payments to CTARAF under the above guarantee agreement, CSBR agreed 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 was 3 years commencing from 26 September 2008. CTARAF promised to CSHM that CSHM was 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 was 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 was able to demonstrate to CTARAF that any event was 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 occurred 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 would 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 would not be deemed CSHM was 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 was 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 1,198.8 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 consideration for use of common area in shopping center of Baht 10 million CWH recorded the prepayments as leasehold right in the statement of financial position. CWH presented the said sublease agreement as right-of-use assets in the consolidated statement of financial position.

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. COSI presented the said sublease period as right-of-use assets in the consolidated statement of financial position.

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 13.6 million. In addition, COSI agrees to pay the sublease fee and management fee over the sublease term in accordance with the agreement totalling Baht 135.5 million. COSI presented the said sublease period as right-of-use assets in the consolidated statement of financial position.

**Centara Osaka Japan Kabushiki Kaisha**

On 10 April 2020, Centara Osaka Japan Kabushiki Kaisha (a foreign indirect subsidiary) entered into the building lease agreement with Centara Osaka Tokutei Mokuteki Kaisha (a joint venture) for a period of 50 years and 3 months commencing on the earlier of March 2023 and the transferal of hotel building. The subsidiary is to pay the rental at fixed and variable fees at stipulated in the lease agreement.

**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 each year, with an increase in the service fee at a mutually agreed rate.

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 had a three-year term, commencing from 1 January 2017 to 31 December 2019, which either party had 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. The agreement is automatically renewable annually every year.

On 1 November 2019, the Company entered into a service agreement with Centara Management Headquarter Limited in order to receive regulatory services, order and control hotel operations under the hotel name. 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.

On 10 August 2021, the Company entered into management fee agreements with Centara Management Headquarter Limited. The agreements is effective from 1 January 2021 to 31 December 2021. The management fee is payable on a monthly basis, and the Company is to receive the fees at the rates specified in the agreements.

### **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 2021, the balance of deferred income was Baht 40.5 million (31 December 2020: Baht 54.7 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 agrees to pay service fee of Baht 500,000 per month, the agreement is automatically renewable annually with an increase in the service fee at a mutually agreed rate.

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 had 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. for a period of 2 years. 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, with an increase in the service fee at a mutually agreed rate.

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. CRG agreed to pay service fee as specified in the agreement. The agreement had 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”) has long-term lease and service agreements with related parties for periods of 3 to 30 years up to 2036. 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.

### **Directors and management’s benefits**

During the years ended 31 December 2021 and 2020, 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>2021</u>   | <u>2020</u> |
| Short-term employee benefits | 84  | 82          |
| Post-employment benefits     | 1   | 3           |
| Total                        | <u>85</u>   | <u>85</u>   |

## **8. Cash and cash equivalents**

|                                  | (Unit: Thousand Baht)             |                  |                               |                |
|----------------------------------|-----------------------------------|------------------|-------------------------------|----------------|
|                                  | Consolidated financial statements |                  | Separate financial statements |                |
|                                  | <u>2021</u>                       | <u>2020</u>      | <u>2021</u>                   | <u>2020</u>    |
| Cash on hand                     | 113,274                           | 71,554           | 1,553                         | 1,725          |
| Cash at banks - current accounts | 835,324                           | 395,637          | 271,928                       | 182,724        |
| Cash at banks - savings accounts | 2,405,834                         | 2,266,519        | -                             | -              |
| Total                            | <u>3,354,432</u>                  | <u>2,733,710</u> | <u>273,481</u>                | <u>184,449</u> |

As at 31 December 2021, bank deposits carried interests between 0.13 and 0.25 percent per annum (2020: between 0.13 and 1.40 percent per annum).

## 9. Trade and other receivables

|   | (Unit: Thousand Baht) |             |                      |             |
|---|-----------------------|-------------|----------------------|-------------|
|   | Consolidated          |             | Separate             |             |
|   | financial statements  |             | financial statements |             |
|   | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| <u>Trade receivable - unrelated parties</u>     |                       |             |                      |             |
| Aged on the basis of due dates                  |                       |             |                      |             |
| Not yet due                                     | 112,817               | 31,200      | 7,972                | 7,456       |
| Past due  |                       |             |                      |             |
| Not over 3 months                               | 36,449                | 20,224      | 7,046                | 4,304       |
| 3 - 6 months                                    | 1,904                 | 8,404       | 10                   | 807         |
| 6 - 12 months                                   | 6,257                 | 24,069      | 52                   | 455         |
| Over 12 months                                  | 17,963                | 21,274      | 5,821                | 5,791       |
| Total   | 175,390               | 105,171     | 20,901               | 18,813      |
| Less: Allowance for expected credit losses      | (23,920)              | (17,180)    | (6,847)              | (4,147)     |
| Total trade receivable - unrelated parties, net | 151,470               | 87,991      | 14,054               | 14,666      |
| Trade receivable - net                          | 151,470               | 87,991      | 14,054               | 14,666      |
| <u>Other receivables</u>                        |                       |             |                      |             |
| Other receivables - related parties             | 38,129                | 17,416      | 74,796               | 46,051      |
| Other receivables - unrelated parties           | 618,483               | 425,567     | 22,552               | 24,155      |
| Prepaid expense                                 | 65,335                | 50,516      | 25,122               | 13,972      |
| Prepayment for purchase of goods                | 6,984                 | 10,147      | -                    | -           |
| Total   | 728,931               | 503,646     | 122,470              | 84,178      |
| Less: Allowance for expected credit losses      | (79,039)              | (77,273)    | (14,538)             | (19,038)    |
| Total other receivables - net                   | 649,892               | 426,373     | 107,932              | 65,140      |
| Total trade and other receivables               | 801,362               | 514,364     | 121,986              | 79,806      |

The normal credit term is 30 to 45 days.

Set out below is the movements in the allowance for expected credit losses of trade and other receivables.

(Unit: Thousand Baht)

|   | Consolidated<br>financial statements |               | Separate<br>financial statements |               |
|---|--------------------------------------|---------------|----------------------------------|---------------|
|   | <u>2021</u>                          | <u>2020</u>   | <u>2021</u>                      | <u>2020</u>   |
| Beginning balance                               | 94,453                               | 97,098        | 23,185                           | 11,592        |
| Provision for expected credit losses (reversal) | 8,506                                | (2,645)       | (1,800)                          | 11,593        |
| Ending balance                                  | <u>102,959</u>                       | <u>94,453</u> | <u>21,385</u>                    | <u>23,185</u> |

## 10. Inventories

(Unit: Thousand Baht)

|                                    | Consolidated<br>financial statements |                       | Separate<br>financial statements |                      |
|------------------------------------|--------------------------------------|-----------------------|----------------------------------|----------------------|
|                                    | <u>2021</u>                          | <u>2020</u>           | <u>2021</u>                      | <u>2020</u>          |
| Food and beverage                  | 62,149                               | 57,778                | 11,435                           | 12,520               |
| Raw materials                      | 404,137                              | 439,566               | -                                | -                    |
| Work in process                    | 14,192                               | 15,713                | -                                | -                    |
| Finished goods                     | 8,561                                | 4,296                 | -                                | -                    |
| Operating supplies                 | 250,901                              | 257,874               | 8,844                            | 9,931                |
| Others                             | 14,362                               | 11,105                | 1,073                            | 1,164                |
|                                    | <u>754,302</u>                       | <u>786,332</u>        | <u>21,352</u>                    | <u>23,615</u>        |
| Less: Allowance for obsolete stock | (6,518)                              | (4,582)               | -                                | -                    |
| <b>Net</b>                         | <u><u>747,784</u></u>                | <u><u>781,750</u></u> | <u><u>21,352</u></u>             | <u><u>23,615</u></u> |

### Inventories recognised as an expense in

#### 'cost of sales':

|                                      |                         |                         |                      |                       |
|--------------------------------------|-------------------------|-------------------------|----------------------|-----------------------|
| - Cost                               | 3,387,025               | 3,939,347               | 67,704               | 138,432               |
| - Write-down to net realisable value | 1,936                   | 315                     | -                    | -                     |
| <b>Net</b>                           | <u><u>3,388,961</u></u> | <u><u>3,939,662</u></u> | <u><u>67,704</u></u> | <u><u>138,432</u></u> |

## 11. Other current financial assets

|  | (Unit: Thousand Baht) |               |                      |             |
|--|-----------------------|---------------|----------------------|-------------|
|  | Consolidated          |               | Separate             |             |
|  | financial statements  |               | financial statements |             |
|  | <u>2021</u>           | <u>2020</u>   | <u>2021</u>          | <u>2020</u> |
| Fixed deposit                              | 500,260               | 90,111        | -                    | -           |
| Total other current financial assets - net | <u>500,260</u>        | <u>90,111</u> | <u>-</u>             | <u>-</u>    |

As at 31 December 2021, fixed deposit carried interest 0.65 - 1.75 percent per annum (2020: 1.75 percent per annum).

## 12. Other current assets

|   | (Unit: Thousand Baht) |                |                      |               |
|---|-----------------------|----------------|----------------------|---------------|
|   | Consolidated          |                | Separate             |               |
|   | financial statements  |                | financial statements |               |
|   | <u>2021</u>           | <u>2020</u>    | <u>2021</u>          | <u>2020</u>   |
| Withholding income tax and value added tax receivable | 265,753               | 250,625        | 29,463               | 34,792        |
| Undue input tax                                       | 45,782                | 30,733         | 3,386                | 3,586         |
| Others  | 1,507                 | 4,494          | 117                  | 117           |
| <b>Total other current assets</b>                     | <u>313,042</u>        | <u>285,852</u> | <u>32,966</u>        | <u>38,495</u> |

## 13. Investment in an associate

|   | (Unit: Thousand Baht) |                |                      |                |
|---|-----------------------|----------------|----------------------|----------------|
|   | Consolidated          |                | Separate             |                |
|   | financial statements  |                | financial statements |                |
|   | <u>2021</u>           | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| Associate                                     |                       |                |                      |                |
| At 1 January                                  | 513,195               | 524,125        | 507,211              | 518,139        |
| Share of profit of investment in an associate | 29,178                | 30,168         | -                    | -              |
| Unit redeemed                                 | (15,367)              | (14,662)       | (15,367)             | (14,662)       |
| Dividend income                               | (26,591)              | (26,436)       | -                    | -              |
| Reversal of impairment loss                   | -                     | -              | -                    | 3,734          |
| At 31 December                                | <u>500,415</u>        | <u>513,195</u> | <u>491,844</u>       | <u>507,211</u> |

There were no acquisition and disposal of investment in an associate during the year ended 31 December 2021 and 2020.

Investment in an associate as at 31 December 2021 and 2020, 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                      |             | Paid-up capital |             | Cost           |                | Carrying amounts based |                | Dividend received |               |
|  |                     |                          | percentage                        |             |                 |             |                |                | on equity method       |                | during the year   |               |
|  |                     |                          | <u>2021</u>                       | <u>2020</u> | <u>2021</u>     | <u>2020</u> | <u>2021</u>    | <u>2020</u>    | <u>2021</u>            | <u>2020</u>    | <u>2021</u>       | <u>2020</u>   |
|  |                     |                          | (Percent)                         | (Percent)   |                 |             |                |                |                        |                |                   |               |
| Centara Hotels & Resorts Leasehold Property Fund | Property fund       | Thai                     | 25.3                              | 25.3        | 2,859,872       | 2,920,512   | 723,908        | 739,275        | 500,415                | 513,195        | 26,591            | 26,436        |
| Total  |                     |                          |                                   |             |                 |             | <u>723,908</u> | <u>739,275</u> | <u>500,415</u>         | <u>513,195</u> | <u>26,591</u>     | <u>26,436</u> |

As at 31 December 2021, the closing price of Centara Hotels & Resorts Leasehold Property Fund was Baht 5.30 (2020: Baht 5.05). The fair value of investment in Centara Hotels & Resorts Leasehold Property Fund was Baht 430 million (2020: Baht 410 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 cost method - net |             | Dividend received during the year |             |
|  |                     |                          | <u>2021</u>             | <u>2020</u> | <u>2021</u>     | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u>                             | <u>2020</u> | <u>2021</u>                                 | <u>2020</u> | <u>2021</u>                       | <u>2020</u> |
|  |                     |                          | (Percent)               | (Percent)   |                 |             |             |             |   |             |   |             |                                   |             |
| Centara Hotels & Resorts Leasehold Property Fund | Property fund       | Thai                     | 25.3                    | 25.3        | 2,859,872       | 2,920,512   | 723,908     | 739,275     | (232,064)                               | (232,064)   | 491,844                                     | 507,211     | 26,591                            | 26,436      |
|  |                     |                          |                         |             |                 |             |             |             |   |             |   |             |                                   |             |
| Total  |                     |                          |                         |             |                 |             | 723,908     | 739,275     | (232,064)                               | (232,064)   | 491,844                                     | 507,211     | 26,591                            | 26,436      |

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

## 14. Investments in subsidiaries

### 14.1 Details of investments in subsidiaries as presented in separate financial statements.

(Unit: Thousand Baht)

| Company's name                             | Paid-up capital |             | Shareholding percentage |             | Cost        |             | Allowance for impairment loss |             | Cost - net  |             | Dividend received during the years |             |
|--|-----------------|-------------|-------------------------|-------------|-------------|-------------|-------------------------------|-------------|-------------|-------------|------------------------------------|-------------|
|  | <u>2021</u>     | <u>2020</u> | <u>2021</u>             | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u>                   | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u>                        | <u>2020</u> |
|  |                 |             | (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     | -                                  | -           |
| Central Karon Village Co., Ltd.            | 37,500          | 37,500      | 100                     | 100         | 76,500      | 76,500      | -                             | -           | 76,500      | 76,500      | -                                  | -           |
| 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     | (119,200)                     | (30,000)    | 79,705      | 168,905     | -                                  | 47,324      |
| 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.         | 200,000         | 250,000     | 100                     | 100         | 200,000     | 250,000     | -                             | -           | 200,000     | 250,000     | -                                  | 96,900      |
| Central Restaurants Group Co., Ltd.        | 620,000         | 620,000     | 100                     | 100         | 669,607     | 669,607     | -                             | -           | 669,607     | 669,607     | 122,619                            | -           |
| Triplene Decor Co., Ltd.                   | 80,000          | 80,000      | 100                     | 100         | 80,000      | 80,000      | -                             | -           | 80,000      | 80,000      | -                                  | -           |
| Central Samui Hotel Management Co., Ltd.   | 100,000         | 1,250       | 100                     | 100         | 100,000     | 1,250       | (100,000)                     | (1,250)     | -           | -           | -                                  | -           |
| Centara International Management Co., Ltd. | 150,000         | 150,000     | 100                     | 100         | 150,000     | 150,000     | -                             | -           | 150,000     | 150,000     | -                                  | -           |
| 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>2021</u>     | <u>2020</u> | <u>2021</u>             | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u>                   | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u>                        | <u>2020</u> |
|   |                 |             | (Percent)               | (Percent)   |             |             |                               |             |             |             |                                    |             |
| Direct subsidiaries (continued)                       |                 |             |                         |             |             |             |                               |             |             |             |                                    |             |
| 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      | -                                  | -           |
| Karon Phuket Hotel Co., Ltd.                          | 520,000         | 520,000     | 99.3                    | 99.3        | 479,187     | 479,187     | -                             | -           | 479,187     | 479,187     | -                                  | -           |
| Cosi Hotel Co., Ltd.                                  | 700,000         | 500,000     | 100                     | 100         | 700,000     | 500,000     | (467,800)                     | (129,000)   | 232,200     | 371,000     | -                                  | -           |
| 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      | -                                  | -           |
| 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     | -                                  | -           |
| Centara Management Headquarter Limited                | 210,000         | 210,000     | 100                     | 100         | 210,000     | 210,000     | -                             | -           | 210,000     | 210,000     | -                                  | -           |
| Central South Pattaya 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<br>loss |                  | Cost - net       |                  | Dividend received<br>during the years |                |
|---|-----------------|-------------|-------------------------|-------------|------------------|------------------|----------------------------------|------------------|------------------|------------------|---------------------------------------|----------------|
|   | <u>2021</u>     | <u>2020</u> | <u>2021</u>             | <u>2020</u> | <u>2021</u>      | <u>2020</u>      | <u>2021</u>                      | <u>2020</u>      | <u>2021</u>      | <u>2020</u>      | <u>2021</u>                           | <u>2020</u>    |
|   |                 |             | (Percent)               | (Percent)   |                  |                  |                                  |                  |                  |                  |                                       |                |
| <b>Indirect subsidiaries</b>                        |                 |             |                         |             |                  |                  |                                  |                  |                  |                  |                                       |                |
| 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          | 65,696      | 100                     | 100         | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| CIM for Hotel Management Egypt, S.A.E.              | 577             | 577         | 100                     | 100         | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| Centara Capital Limited                             | 782,434         | 782,434     | 100                     | 100         | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| Lagoon Assets Private Limited                       | 1,070           | 1,070       | 100                     | 100         | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| Centara Singapore Private Limited                   | 1,556,920       | 982,570     | 100                     | 100         | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| Centara Lagoon Private Limited                      | -               | -           | 100                     | 100         | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| Centara Japan Capital Godo Kaisha                   | 59,937          | 29,568      | 100                     | 100         | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| Centara Osaka Japan Kabushiki Kaisha                | 28,832          | 28,832      | 100                     | 100         | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| Central Restaurants Group (HK) Limited              | -               | -           | 100                     | 100         | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| Central Restaurants Group (Vietnam) Company Limited | 97,066          | 30,891      | 100                     | 100         | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| Brown Dessert Company Limited                       | 9,398           | 9,398       | 51                      | 51          | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| STN Restaurant Company Limited                      | 235,000         | -           | 85                      | -           | -                | -                | -                                | -                | -                | -                | -                                     | -              |
| Total   |                 |             |                         |             | <u>6,482,332</u> | <u>6,233,582</u> | <u>(688,000)</u>                 | <u>(161,250)</u> | <u>5,794,332</u> | <u>6,072,332</u> | <u>122,619</u>                        | <u>144,224</u> |

## 14.2 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 (loss) allocated to non-controlling interests during the years |             | Dividend paid to non-controlling interests during the years |             |
|--|---|-------------|--|-------------|---|-------------|---|-------------|
|  | <u>2021</u>   | <u>2020</u> | <u>2021</u>                                      | <u>2020</u> | <u>2021</u>   | <u>2020</u> | <u>2021</u>   | <u>2020</u> |
|  | (Percent)   | (Percent)   |  |             |   |             |   |             |
| <u>Subsidiary directly held by the Company</u>                                 |   |             |  |             |   |             |   |             |
| Central Hua Hin Beach Resort Co., Ltd.   | 36.05   | 36.05       | 33,214   | 40,766      | (7,552)   | (11,996)    | -   | 26,676      |
| <u>Subsidiary companies hold by Centara International Management Co., Ltd.</u> |   |             |  |             |   |             |   |             |
| Centara Maldives Pvt. Ltd.   | 25.00   | 25.00       | 197,614  | 165,169     | 13,255  | (33,075)    | -   | -           |
| R.M.L Leisure Pvt. Ltd.  | 26.00   | 26.00       | (84,342)   | (69,689)    | (18,909)  | (73,768)    | -   | -           |

### 14.3 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. Ltd. |                  | Other individually<br>immaterial<br>subsidiaries |             | Intra-group<br>eliminations |             | Total       |             |
|--------------------------------------|-----------------------|----------------|------------------|----------------|-------------------------|------------------|--|-------------|-----------------------------|-------------|-------------|-------------|
|                                      | Resort Co., Ltd.      |                | Pvt. Ltd.        |                |                         |                  |  |             |                             |             |             |             |
|                                      | <u>2021</u>           | <u>2020</u>    | <u>2021</u>      | <u>2020</u>    | <u>2021</u>             | <u>2020</u>      | <u>2021</u>                                      | <u>2020</u> | <u>2021</u>                 | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Non-controlling interests percentage | 36.05                 | 36.05          | 25               | 25             | 26                      | 26               |  |             |                             |             |             |             |
| Current assets                       | 78,700                | 101,370        | 253,906          | 110,179        | 201,787                 | 130,669          |  |             |                             |             |             |             |
| Non-current assets                   | 63,015                | 177,173        | 2,098,293        | 1,989,546      | 1,433,500               | 1,384,338        |  |             |                             |             |             |             |
| Current liabilities                  | (38,160)              | (112,824)      | (140,220)        | (188,589)      | (1,116,282)             | (836,493)        |  |             |                             |             |             |             |
| Non-current liabilities              | (11,422)              | (52,638)       | (1,421,524)      | (1,250,461)    | (843,397)               | (946,547)        |  |             |                             |             |             |             |
| <b>Net assets</b>                    | <u>92,133</u>         | <u>113,081</u> | <u>790,455</u>   | <u>660,675</u> | <u>(324,392)</u>        | <u>(268,033)</u> |  |             |                             |             |             |             |
| Carrying amount of non-controlling   |                       |                |                  |                |                         |                  |  |             |                             |             |             |             |
| Interests                            | <u>33,214</u>         | <u>40,766</u>  | <u>197,614</u>   | <u>165,169</u> | <u>(84,342)</u>         | <u>(69,689)</u>  | 32,434   | 25,981      | 176,357                     | 130,560     | 355,277     | 292,787     |

## Summarised information about comprehensive income

(Unit: Thousand Baht)

|  | Central Hua Hin Beach |             | Centara Maldives |             | R.M.L Leisure Pvt. Ltd. |             | Other individually<br>immaterial<br>subsidiaries |             | Intra-group<br>eliminations |             | Total       |             |
|--|-----------------------|-------------|------------------|-------------|-------------------------|-------------|--|-------------|-----------------------------|-------------|-------------|-------------|
|  | Resort Co., Ltd.      |             | Pvt. Ltd.        |             |                         |             |  |             |                             |             |             |             |
|  | <u>2021</u>           | <u>2020</u> | <u>2021</u>      | <u>2020</u> | <u>2021</u>             | <u>2020</u> | <u>2021</u>                                      | <u>2020</u> | <u>2021</u>                 | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Revenue  | 165,030               | 277,258     | 544,978          | 228,394     | 466,102                 | 215,617     |  |             |                             |             |             |             |
| Profit (loss)  | (20,948)              | (33,276)    | 53,020           | (132,300)   | (72,719)                | (283,725)   |  |             |                             |             |             |             |
| Other comprehensive income   | -                     | (801)       | 76,759           | 3,212       | 16,360                  | 6,098       |  |             |                             |             |             |             |
| Total comprehensive income   | (20,948)              | (34,077)    | 129,779          | (129,088)   | (56,359)                | (277,627)   |  |             |                             |             |             |             |
| Profit (loss) attributable to non-controlling<br>interests               | (7,552)               | (11,996)    | 13,255           | (33,075)    | (18,909)                | (73,768)    | (10,987)   | (3,698)     | -                           | -           | (24,193)    | (122,537)   |
| Other comprehensive income attributable to non-<br>controlling interests | -                     | (289)       | 19,190           | 803         | 4,254                   | 1,585       | 12,703   | (12)        | -                           | -           | 36,147      | 2,087       |

## Summarised information about cash flows

(Unit: Thousand Baht)

|   | Central Hua Hin Beach |              | Centara Maldives |                 | R.M.L Leisure Pvt. Ltd. |                 | Other individually<br>immaterial<br>subsidiaries |             | Intra-group<br>eliminations |             | Total       |             |
|---|-----------------------|--------------|------------------|-----------------|-------------------------|-----------------|--|-------------|-----------------------------|-------------|-------------|-------------|
|   | <u>2021</u>           | <u>2020</u>  | <u>2021</u>      | <u>2020</u>     | <u>2021</u>             | <u>2020</u>     | <u>2021</u>                                      | <u>2020</u> | <u>2021</u>                 | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Cash flows from (used in) operating activities          | (26,128)              | (49,078)     | 190,981          | (7,151)         | (49,955)                | (135,000)       |  |             |                             |             |             |             |
| Cash flows from (used in) investing activities          | 23,644                | 124,899      | (8,126)          | (7,303)         | (12,628)                | (29,097)        |  |             |                             |             |             |             |
| Cash flows from (used in) financing activities          | -                     | (74,000)     | (120,312)        | (36,045)        | 140,364                 | 132,163         |  |             |                             |             |             |             |
| Net increase (decrease) in cash and cash<br>equivalents | <u>(2,484)</u>        | <u>1,821</u> | <u>62,543</u>    | <u>(50,499)</u> | <u>77,781</u>           | <u>(31,934)</u> | (12,561)   | 23,996      | -                           | -           | 125,279     | (56,616)    |



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

### **14.4.1 Additional called-up share capital of subsidiary held by the Company**

On 26 March 2021, the Extraordinary General Meeting of shareholders of Central Samui Hotel Management Co., Ltd. (the subsidiary) passed a resolution to increase its registered share capital from Baht 1.25 million (12,500 ordinary shares of Baht 100 each) to Baht 100 million (1 million ordinary shares of Baht 100 each) by issuing 987,500 million new ordinary shares with par value of Baht 100 per share and fully call up. The Subsidiary registered the share capital increase with the Ministry of Commerce on 31 March 2021. The Company made the full payment of the new shares amounting to Baht 98.75 million. As a result, the Company has investment in ordinary shares of the subsidiary as at 31 December 2021 at the amount of Baht 100 million.

On 25 June 2021, the Extraordinary General Meeting of shareholders of Cosi Hotel Co., Ltd. (the subsidiary) passed a resolution to increase its registered share capital from Baht 500 million (5 million ordinary shares of Baht 100 each) to Baht 700 million (7 million ordinary shares of Baht 100 each) by issuing 2 million new ordinary shares with a par value of Baht 100 per share which were fully called up. The subsidiary registered the share capital increase with the Ministry of Commerce on 30 June 2021. The Company made the full payment of the new shares amounting to Baht 200 million. As a result, the Company has investment in ordinary shares of the subsidiary as at 31 December 2021 at the amount of Baht 700 million.

On 29 September 2021, the Extraordinary General Meeting of shareholders of Central Hotel Management Co., Ltd. (the subsidiary) passed a resolution to decrease its registered share capital from Baht 250 million (2.5 million ordinary shares of Baht 100 each) to Baht 200 million (2 million ordinary shares of Baht 100 each) by cancelling 0.5 million ordinary shares with a par value of Baht 100 per share. The subsidiary registered the share capital decrease with the Ministry of Commerce on 1 November 2021. In this regard, the Company received a payment of Baht 50 million. As a result, the Company has an investment in ordinary shares of the subsidiary as at 31 December 2021 at the amount of Baht 200 million.

### **14.4.2 Increase in share capital and additionally call-up share capital of subsidiaries held by subsidiary companies of the Company**

On 18 January 2021, Central Restaurants Group (HK) Limited (a subsidiary) paid for the additional ordinary shares of USD 0.6 million to Central Restaurants Group (Vietnam) Company Limited for 100 percent of the additional registered capital, an indirect subsidiary of the Group.

On 21 September 2021, Central Restaurants Group (HK) Limited (a subsidiary) paid for the additional ordinary shares of USD 1,396,500 to Central Restaurants Group (Vietnam) Company Limited, which is an indirect subsidiary of the Group, accounting for 100 percent of the additional registered capital.

On 29 September 2021, Centara Management Headquarters Company Limited (a subsidiary) paid for the additional ordinary shares of JPY 100 million to Centara Singapore Private Limited, which is an indirect subsidiary of the Group, accounting for 100 percent of the additional registered capital.

On 4 October 2021, Centara Singapore Private Limited (a subsidiary) paid for the additional ordinary shares of JPY 100 million to Centara Japan Capital Godo Kaisha, which is an indirect subsidiary of the Group, accounting for 100 percent of the additional registered capital.

On 18 October 2021, Centara Management Headquarters Company Limited (a subsidiary) paid for the additional ordinary shares of JPY 1,850 million to Centara Singapore Private Limited, which is an indirect subsidiary of the Group, accounting for 100 percent of the additional registered capital.

#### **14.5 Acquisition of investment**

- a) On 31 August 2020, Central Restaurants Group Co., Ltd. ("CRG"), the Company's subsidiary, had purchased 47,928 ordinary shares of Brown Dessert Company Limited, which operates food and beverage business, at the price of Baht 1,361.53 each, or a total of Baht 65 million. CRG's shareholding was 51 percent of issued and paid-up capital. The financial statements of this company had been included in the consolidated financial statements from 31 August 2020, which is the date on which CRG assumed control.

As at 31 December 2020, CRG had outstanding payable for acquisition of investment in a subsidiary of Baht 12.9 million. Subsequently in 4 January 2021, CRG made payment in full for the outstanding payable.

During 2021, the Group engaged an independent appraiser to appropriate the fair value of identifiable assets acquired and liabilities assumed and allocation of fair value at the acquisition date. The Group received the purchase price allocation report from the independent appraiser during the second quarter of 2021. The Group has applied Thai Financial Reporting Standard No. 3 "Business Combinations" to recognize this business combination transaction.

Net fair value of the assets of Brown Dessert Company Limited at the acquisition date were as summarised below:

|   | (Unit: Thousand Baht)                  |
|---|--|
|   | Brown<br>Dessert<br>Company<br>Limited |
| Cash and cash equivalents                     | 32,057                                 |
| Other current assets                          | 751                                    |
| Equipment and work in process                 | 11,060                                 |
| Intangible assets                             | 49,663                                 |
| Other non-current assets                      | 2,403                                  |
| Deferred tax liabilities                      | (9,996)                                |
| Net assets                                    | 85,938                                 |
| Non-controlling interests                     | (42,109)                               |
| Share of net fair value of the assets         | 43,829                                 |
| Cash paid for the acquisition of a subsidiary | 65,255                                 |
| Goodwill                                      | 21,426                                 |

Based on the information from the purchase price allocation report of an independent appraiser and other relevant factors obtained since the business acquisition date, the Group considered the fair values of assets acquired and liabilities assumed from the business acquisition and recorded the difference amount between the purchase price and the value of consideration received in the account “Goodwill” in the amount of Baht 21.4 million. The Group retrospectively adjusted the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and would have affected the measurement of the amounts recognized as of that date. Therefore, the consolidated statement of financial position as at 31 December 2020, has been restated accordingly.

The effects of the restatement on the consolidated statement of financial position as at 31 December 2020 were as follows:

|  | (Unit: Thousand Baht)     |                              |             |
|--|---------------------------|------------------------------|-------------|
|  | As previously<br>reported | Effect of the<br>restatement | As restated |
| <b>Consolidated statement of financial position<br/>as at 31 December 2020</b> |                           |                              |             |
| <b>Assets</b>  |                           |                              |             |
| Goodwill   | 314,602                   | 21,426                       | 336,028     |
| Unallocated costs of business<br>acquisition                                   | 41,819                    | (41,819)                     | -           |
| Property, plant and equipment  | 17,368,098                | 319                          | 17,368,417  |
| Other intangible assets  | 453,575                   | 49,663                       | 503,238     |
| Total assets   | 35,350,143                | 29,589                       | 35,379,732  |
| <b>Liabilities and shareholders' equity</b>                                    |                           |                              |             |
| Deferred tax liabilities   | 148,138                   | 9,996                        | 158,134     |
| Non-controlling interests  | 292,787                   | 19,593                       | 312,380     |
| Total liabilities and shareholders' equity                                     | 35,350,143                | 29,589                       | 35,379,732  |

- b) On 31 March 2021, Central Restaurants Group Co., Ltd. ("CRG"), the Company's subsidiary, had purchased 1,997,500 ordinary shares of STN Restaurant Company Limited, which operates food and beverage business, at the price of Baht 100 each, or a total of Baht 199.75 million. CRG's shareholding was 85 percent of issued and paid-up capital. The financial statements of this company had been included in the consolidated financial statements from 31 March 2021, which is the date on which CRG assumed control.

The Group assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed in the fourth quarter of 2021 and within the period of twelve months from the acquisition date allowed by Thai Financial Reporting Standard No. 3 "Business Combinations".

Net fair value of the assets of STN Restaurant Company Limited at the acquisition date were as summarised below:

(Unit: Thousand Baht)

|   | STN<br>Restaurant<br>Company<br>Limited |
|---|---|
| Cash and cash equivalents                                 | 21,417                                  |
| Inventories   | 1,350                                   |
| Equipment   | 36,186                                  |
| Intangible assets - trademark                             | 190,732                                 |
| Short-term loans from related parties                     | (5,250)                                 |
| Deferred tax liabilities                                  | (38,146)                                |
| Net assets  | 206,289                                 |
| Non-controlling interests                                 | (30,943)                                |
| Fair value of the assets                                  | 175,346                                 |
| Cash paid for acquisition                                 | 199,750                                 |
| Goodwill  | 24,404                                  |
| Acquisition cost of investment in subsidiary              | 199,750                                 |
| Less: Cash and cash equivalents of subsidiary             | (21,417)                                |
| Net cash paid for acquisition of investment in subsidiary | 178,333                                 |

The consolidated income statement for the year ended 31 December 2021 included revenue and loss of STN Restaurant Company Limited as from the acquisition date were Baht 39.6 million and Baht 18.3 million, respectively.

If the business combinations had taken place at the beginning of the period, revenue and loss of STN Restaurant Company Limited would have been included in the consolidated income statements for the year ended 31 December 2021 were Baht 39.6 million and Baht 18.3 million, respectively.

#### **14.6 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 2 - 33 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.

## 15. Investment in joint ventures

### 15.1 Details of investment in joint ventures

Investment in joint ventures represent investment in entities which is jointly controlled by the Company and other companies. Details of these investment are as follows:

(Unit: Thousand Baht)

|                                      |                     | Consolidated financial statements |             |   |             |                 |             |             |             |
|--------------------------------------|---------------------|-----------------------------------|-------------|---|-------------|-----------------|-------------|-------------|-------------|
| Joint ventures                       | Natures of business | Shareholding percentage           |             | Carrying amounts based on equity method |             | Long-term loans |             | Total       |             |
|                                      |                     | <u>2021</u>                       | <u>2020</u> | <u>2021</u>                             | <u>2020</u> | <u>2021</u>     | <u>2020</u> | <u>2021</u> | <u>2020</u> |
|                                      |                     | (Percent)                         | (Percent)   |   |             |                 |             |             |             |
| Nakheel CT Deira Islands Hotel- FZCO | Hotel               | 40                                | 40          | (11,834)                                | (315)       | 1,845,442       | 1,175,634   | 1,833,608   | 1,175,319   |
| Green Food Factory Co., Ltd.         | Food and beverage   | 51                                | 51          | 124,310                                 | 135,373     | -               | -           | 124,310     | 135,373     |
| Centara Osaka Tokutei Mokutei Kaisha | Hotel               | 51                                | 51          | 1,392,821                               | 893,545     | -               | -           | 1,392,821   | 893,545     |
| ORC COFFEE PASSION GROUP             | Food and beverage   | 40                                | 40          |   |             |                 |             |             |             |
| JOINT STOCK COMPANY                  |                     |                                   |             | 69,416                                  | 25,454      | -               | -           | 69,416      | 25,454      |
| Total                                |                     |                                   |             | 1,574,713                               | 1,054,057   | 1,845,442       | 1,175,634   | 3,420,155   | 2,229,691   |

15.1.1 In 2016, Centara Capital Limited (an indirectly-held foreign 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.

15.1.2 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 totalling Baht 137.0 million. Any decision made on related activities must be approved by the joint ventures.

15.1.3 In 2019, Centara International Management Co., Ltd. (subsidiary) entered into a joint venture agreement and established Centara Osaka Tokutei Mokutei Kaisha to operate a hotel business. Subsequently, in 2020, the subsidiary transferred its rights and obligations under the joint venture agreement to two foreign indirectly-held subsidiaries. The total direct and indirect shareholding of the two foreign indirectly-held subsidiaries accounted for 51 percent of issued and paid-up capital, totalling Baht 937.1 million. Any decision made on related activities must be approved by the joint venturers.

Subsequently in October 2021, Centara Osaka Tokutei Kaisha registered the share capital increase. Centara Japan Capital Good Kaisha and Centara Singapore Private Limited paid for the additional shares of JPY 1,887 million or equivalent to Baht 554.7 million, accounting for 51 percent of the issued and paid-up capital.

15.1.4 In 2020, Central Restaurants Group (Vietnam) Company Limited (subsidiary) entered into a joint venture agreement and established ORC COFFEE PASSION GROUP JOINT STOCK COMPANY to operate food and beverage business. The subsidiary's shareholding was 40 percent of issued and paid-up capital totalling VND 22,993.0 million equivalent to Baht 30.8 million. Any decision made on related activities must be approved by the joint ventures. Subsequently in March 2021, ORC COFFEE PASSION GROUP JOINT STOCK COMPANY increased its registered share capital which Central Restaurants Group (Vietnam) Company Limited paid for the additional registered share totalling VND 9,216.9 million equivalent to Baht 12.8 million.

Subsequently in November 2021, ORC COFFEE PASSION GROUP JOINT STOCK COMPANY registered the share capital increase. Centara Restaurant Group (Vietnam) Company Limited (subsidiary) paid for the additional ordinary shares of VND 31,700.5 million or equivalent to Baht 46.5 million. Thus, as at 31 December 2021, the subsidiary's shareholding was 40 percent of issued and paid-up capital, totalling VND 63,910.4 million equivalent to Baht 87.8 million.

### *Long-term loans to joint venture*

On 28 September 2017, Centara Capital Limited (an indirectly-held foreign subsidiary) entered into a loan agreement with Nakheel CT Deira Islands Hotel - FZCO (joint venture). The subsidiary provided 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 2021 and 2020 of loans to joint venture were as follows:

|                         | Interest rate |             | (Unit: Thousand Baht)<br>Consolidated financial<br>statement |                  |
|-------------------------|---------------|-------------|--|------------------|
|                         | <u>2021</u>   | <u>2020</u> | <u>2021</u>  | <u>2020</u>      |
|                         | (Percent)     | (Percent)   |  |                  |
| <b>Joint venture</b>    |               |             |  |                  |
| At 1 January            |               |             | 1,175,634  | 777,893          |
| Addition                | 5.3 - 5.7     | 5.3 - 7.1   | 522,620  | 428,112          |
| Effect on exchange rate |               |             | 147,188  | (30,371)         |
| At 31 December          |               |             | <u>1,845,442</u>   | <u>1,175,634</u> |

## **15.2 Share of comprehensive income**

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

|  | (Unit: Thousand Baht)<br>Consolidated financial statements            |                 |
|--|---|-----------------|
|  | Share of (loss) from investment in<br>joint ventures during the years |                 |
|  | <u>2021</u>   | <u>2020</u>     |
| Joint ventures                               |   |                 |
| Nakheel CT Deira Islands Hotel- FZCO         | (11,519)  | (1,976)         |
| Green Food Factory Co., Ltd.                 | (11,063)  | (249)           |
| Centara Osaka Tokutei Mokutei Kaisha         | (55,376)  | (43,525)        |
| ORC COFFEE PASSION GROUP JOINT STOCK COMPANY | (15,303)  | (5,359)         |
| Total  | <u>(93,261)</u>   | <u>(51,109)</u> |



### 15.3 Summarised financial information amount material joint ventures

#### Summarised information about financial position

| (Unit: Thousand Baht)   |   |                  |                                 |               |  |                  |  |               |
|---|---|------------------|---------------------------------|---------------|--|------------------|--|---------------|
|   | Nakheel CT Deira Islands<br>Hotel- FZCO |                  | Green Food Factory Co.,<br>Ltd. |               | Centara Osaka Tokutei<br>Mokuteki Kaisha |                  | ORC COFFEE PASSION<br>GROUP JOINT STOCK<br>COMPANY |               |
|   | 2021                                    | 2020             | 2021                            | 2020          | 2021                                     | 2020             | 2021   | 2020          |
| Cash and cash equivalents   | 138,265                                 | 1,210            | 2,078                           | 9,829         | 656,895                                  | 150,761          | 117,500  | 48,617        |
| Trade and other receivables   | 139,347                                 | 139,764          | 13,138                          | 12,558        | -  | -                | -  | -             |
| Inventories   | -                                       | -                | 16,662                          | 9,611         | -  | -                | 4,849  | 2,410         |
| Other current assets  | -                                       | -                | 1,242                           | 733           | 4,945                                    | 4,296            | 16,681   | 1,761         |
| Property, plant and<br>equipment  | 5,526,787                               | 3,570,508        | 112,165                         | 82,734        | 2,114,512                                | 1,604,874        | 28,030   | 16,371        |
| Intangible assets   | -                                       | -                | 1,050                           | 359           | -  | -                | 4,448  | 8,144         |
| Other non-current assets  | -                                       | -                | 67,930                          | 62,234        | -  | -                | 15,161   | -             |
| Trade and other payables  | (1,221,973)                             | (773,390)        | (49,401)                        | (13,037)      | (1,424)                                  | (3,361)          | (12,819)   | -             |
| Other current liabilities   | -                                       | -                | (48,372)                        | (47,734)      | (352)                                    | (352)            | (6,217)  | (12,769)      |
| Other non-current assets  | -                                       | -                | (64,563)                        | (44,597)      | -  | -                | -  | -             |
| <b>Net assets</b>   | <b>4,582,426</b>                        | <b>2,938,092</b> | <b>51,929</b>                   | <b>72,690</b> | <b>2,774,576</b>                         | <b>1,756,218</b> | <b>167,633</b>                                     | <b>64,534</b> |
| Shareholding percentage   | 40%                                     | 40%              | 51%                             | 51%           | 51%                                      | 51%              | 40%  | 40%           |
| <b>Share of net assets</b>  | <b>1,832,970</b>                        | <b>1,175,237</b> | <b>26,484</b>                   | <b>37,072</b> | <b>1,415,034</b>                         | <b>895,671</b>   | <b>66,886</b>                                      | <b>25,749</b> |
| Elimination entries   | -                                       | -                | -                               | -             | -  | -                | -  | -             |
| <b>Carrying amounts of joint<br/>venture based on<br/>equity method</b> | <b>1,832,970</b>                        | <b>1,175,237</b> | <b>26,484</b>                   | <b>37,072</b> | <b>1,415,034</b>                         | <b>895,671</b>   | <b>66,886</b>                                      | <b>25,749</b> |

#### Summarised information about comprehensive income

| (Unit: Thousand Baht)   |   |                |                                 |              |  |                 |  |                |
|---|---|----------------|---------------------------------|--------------|--|-----------------|--|----------------|
| For the year ended 31 December  |   |                |                                 |              |  |                 |  |                |
|   | Nakheel CT Deira Islands<br>Hotel- FZCO |                | Green Food Factory Co.,<br>Ltd. |              | Centara Osaka Tokutei<br>Mokuteki Kaisha |                 | ORC COFFEE PASSION<br>GROUP JOINT STOCK<br>COMPANY |                |
|   | 2021                                    | 2020           | 2021                            | 2020         | 2021                                     | 2020            | 2021   | 2020           |
| Revenues  | 233,440                                 | -              | 252,263                         | 199,257      | -  | -               | 11,322   | 1,180          |
| Other income  | 84                                      | 163            | 2,355                           | 330          | 1  | 2               | -  | 151            |
| Cost of sales   | (156,561)                               | -              | (129,297)                       | (122,590)    | -  | -               | (4,999)  | (418)          |
| Administrative expense  | (105,734)                               | (5,098)        | (144,867)                       | (76,387)     | (108,229)                                | (84,990)        | (44,582)   | (14,343)       |
| Finance cost  | (26)                                    | (6)            | (1,869)                         | (1,496)      | -  | -               | -  | -              |
| Income (expenses) tax<br>income   | -                                       | -              | (277)                           | 398          | (353)                                    | (355)           | -  | -              |
| Loss for the years  | (28,797)                                | (4,941)        | (21,692)                        | (488)        | (108,581)                                | (85,343)        | (38,259)   | (13,430)       |
| Total comprehensive<br>income for the years                                 | (28,797)                                | (4,941)        | (21,692)                        | (488)        | (108,581)                                | (85,343)        | (38,259)   | (13,430)       |
| Shareholding percentage   | 40%                                     | 40%            | 51%                             | 51%          | 51%                                      | 51%             | 40%  | 40%            |
| <b>Share of loss for the years</b>  | <b>(11,519)</b>                         | <b>(1,976)</b> | <b>(11,063)</b>                 | <b>(249)</b> | <b>(55,376)</b>                          | <b>(43,525)</b> | <b>(15,303)</b>                                    | <b>(5,359)</b> |
| Elimination entries   | -                                       | -              | -                               | -            | -  | -               | -  | -              |
| <b>Share of loss from<br/>investment in joint<br/>venture for the years</b> | <b>(11,519)</b>                         | <b>(1,976)</b> | <b>(11,063)</b>                 | <b>(249)</b> | <b>(55,376)</b>                          | <b>(43,525)</b> | <b>(15,303)</b>                                    | <b>(5,359)</b> |

## 16. Investment properties

The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

|                                  | Consolidated         |                  | (Unit: Thousand Baht) |                  |
|----------------------------------|----------------------|------------------|-----------------------|------------------|
|                                  | financial statements |                  | Separate              |                  |
|                                  | <u>2021</u>          | <u>2020</u>      | <u>2021</u>           | <u>2020</u>      |
| <b>Cost</b>                      |                      |                  |                       |                  |
| At 1 January                     | 300,760              | 300,760          | 367,490               | 367,490          |
| Disposal/write off               | -                    | -                | (20,106)              | -                |
| At 31 December                   | <u>300,760</u>       | <u>300,760</u>   | <u>347,384</u>        | <u>367,490</u>   |
| <b>Accumulated depreciation</b>  |                      |                  |                       |                  |
| At 1 January                     | (126,990)            | (123,826)        | (155,266)             | (142,346)        |
| Depreciation charge for the year | (3,155)              | (3,164)          | (12,112)              | (12,920)         |
| Disposal/write off               | -                    | -                | 13,768                | -                |
| At 31 December                   | <u>(130,145)</u>     | <u>(126,990)</u> | <u>(153,610)</u>      | <u>(155,266)</u> |
| <b>Net book value</b>            |                      |                  |                       |                  |
| At 1 January                     | <u>173,770</u>       | <u>176,934</u>   | <u>212,224</u>        | <u>225,144</u>   |
| At 31 December                   | <u>170,615</u>       | <u>173,770</u>   | <u>193,774</u>        | <u>212,224</u>   |

The fair value of investment properties in consolidated and separate financial statements as at 31 December 2021 of Baht 1,300 million and Baht 955 million, respectively (2020: Baht 1,300 million and Baht 980 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.

As at 31 December 2021, the Subsidiary has land possessory right (Phor Bor Thor 5) of Baht 33 million (31 December 2020: Baht 33 million). The Subsidiary has been assigned the land ownership and is currently in the process of obtaining a legal document stating the ownership acquisition.

## 17. Property, plant and equipment

(Unit: Thousand Baht)

### Consolidated financial statements

|  | Revaluation<br>basis | Cost basis           |                          |                  |                            |                        |              |          |              |            |
|--|----------------------|----------------------|--------------------------|------------------|----------------------------|------------------------|--------------|----------|--------------|------------|
|  |                      |                      | Buildings and            | Machinery        | Furniture,<br>fixtures and | Hotel                  | Leasehold    |          | Construction |            |
|  | Land                 | Land<br>improvements | building<br>improvements | and<br>equipment | office<br>equipment        | operating<br>equipment | improvements | Vehicles | in progress  | Total      |
| Cost/Revalued amount                     |                      |                      |                          |                  |                            |                        |              |          |              |            |
| 1 January 2020                           | 2,385,372            | 793,000              | 16,957,926               | 7,461,573        | 3,554,625                  | 545,241                | 928,693      | 224,346  | 1,060,161    | 33,910,937 |
| Increase from business<br>acquisition    | -                    | -                    | 319                      | -                | -                          | -                      | -            | -        | -            | 319        |
| Additions                                | -                    | 11,099               | 192,196                  | 169,703          | 80,710                     | 15,996                 | 2,238        | 2,405    | 1,337,636    | 1,811,983  |
| Transfer in/(out)                        | -                    | 631                  | 206,104                  | 95,653           | 87,622                     | 3,452                  | 12,916       | 473      | (409,820)    | (2,969)    |
| Disposals/write-off                      | -                    | (478)                | (176,699)                | (104,790)        | (143,944)                  | (46,736)               | (5,025)      | (2,900)  | (15,135)     | (495,707)  |
| Effect of movements in<br>exchange rates | -                    | (119)                | (9,583)                  | (84,475)         | 80,006                     | (338)                  | -            | (210)    | 2,740        | (11,979)   |
| 31 December 2020                         | 2,385,372            | 804,133              | 17,170,263               | 7,537,664        | 3,659,019                  | 517,615                | 938,822      | 224,114  | 1,975,582    | 35,212,584 |
| Revaluations                             | 12,012,828           | -                    | -                        | -                | -                          | -                      | -            | -        | -            | 12,012,828 |
| Increase from business<br>acquisition    | -                    | -                    | -                        | 36,186           | -                          | -                      | -            | -        | -            | 36,186     |
| Additions                                | -                    | 2,478                | 235,287                  | 82,238           | 63,743                     | 7,414                  | 1,611        | 11,981   | 1,290,594    | 1,695,346  |
| Transfer in/(out)                        | -                    | -                    | 1,493,927                | 136,506          | 139,395                    | -                      | 996          | 440      | (1,775,754)  | (4,490)    |
| Disposals/write-off                      | -                    | -                    | (183,603)                | (57,467)         | (44,975)                   | (32,729)               | -            | (5,856)  | (10,761)     | (335,391)  |
| Effect of movements in<br>exchange rates | -                    | 3,448                | 273,360                  | 63,853           | 44,778                     | 21,719                 | -            | 2,660    | (1,572)      | 408,246    |
| 31 December 2021                         | 14,398,200           | 810,059              | 18,989,234               | 7,798,980        | 3,861,960                  | 514,019                | 941,429      | 233,339  | 1,478,089    | 49,025,309 |

(Unit: Thousand Baht)

## Consolidated financial statements

|  | Revaluation<br>basis | Cost basis           |   |                               |   |                                 |                           |          |                             |            |
|--|----------------------|----------------------|---|-------------------------------|---|---------------------------------|---------------------------|----------|-----------------------------|------------|
|  | Land                 | Land<br>improvements | Buildings and<br>building<br>improvements | Machinery<br>and<br>equipment | Furniture,<br>fixtures and<br>office<br>equipment | Hotel<br>operating<br>equipment | Leasehold<br>improvements | Vehicles | Construction<br>in progress | Total      |
| Accumulated depreciation                 |                      |                      |   |                               |   |                                 |                           |          |                             |            |
| 1 January 2020                           | -                    | 419,378              | 7,452,207                                 | 5,084,336                     | 2,348,490   | -                               | 448,671                   | 160,599  | -                           | 15,913,681 |
| Depreciation for the year                | -                    | 31,737               | 809,189                                   | 442,873                       | 228,013   | -                               | 48,898                    | 12,580   | -                           | 1,573,290  |
| Transfer in/(out)                        | -                    | -                    | -   | (325)                         | 325   | -                               | -                         | -        | -                           | -          |
| Disposals/write-off                      | -                    | (473)                | (141,635)                                 | (93,951)                      | (137,523)   | -                               | -                         | (2,637)  | -                           | (376,219)  |
| Effect of movements in<br>exchange rates | -                    | (82)                 | (8,854)                                   | (59,572)                      | 54,763  | -                               | -                         | (114)    | -                           | (13,859)   |
| 31 December 2020                         | -                    | 450,560              | 8,110,907                                 | 5,373,361                     | 2,494,068   | -                               | 497,569                   | 170,428  | -                           | 17,096,893 |
| Depreciation for the year                | -                    | 32,432               | 713,882                                   | 380,967                       | 167,801   | -                               | 40,626                    | 11,672   | -                           | 1,347,380  |
| Transfer in/(out)                        | -                    | -                    | (6)                                       | (133)                         | 139   | -                               | -                         | -        | -                           | -          |
| Disposals/write-off                      | -                    | -                    | (163,047)                                 | (55,688)                      | (43,397)  | -                               | -                         | (5,704)  | -                           | (267,836)  |
| Effect of movements in<br>exchange rates | -                    | 1,079                | 196,188                                   | 35,622                        | 47,389  | -                               | -                         | 1,862    | -                           | 282,140    |
| 31 December 2021                         | -                    | 484,071              | 8,857,924                                 | 5,734,129                     | 2,666,000   | -                               | 538,195                   | 178,258  | -                           | 18,458,577 |

(Unit: Thousand Baht)

## Consolidated financial statements

|                                  | Revaluation | Cost basis        |                            |                         |  |                           |                        |          |                          |            |
|----------------------------------|-------------|-------------------|----------------------------|-------------------------|--|---------------------------|------------------------|----------|--------------------------|------------|
|                                  | basis       |                   |                            |                         |  |                           |                        |          |                          |            |
|                                  | Land        | Land improvements | Buildings and improvements | Machinery and equipment | Furniture, fixtures and office equipment | Hotel operating equipment | Leasehold improvements | Vehicles | Construction in progress | Total      |
| <b>Allowance for impairment</b>  |             |                   |                            |                         |  |                           |                        |          |                          |            |
| 1 January 2020                   | -           | -                 | 31,552                     | 916                     | 228                                      | -                         | -                      | -        | 532                      | 33,228     |
| Increase during the year         | 49,200      | 2,030             | 260,571                    | 117,308                 | 97,237                                   | 27,563                    | 159,000                | 2,000    | 32,137                   | 747,046    |
| Decrease during the year         | -           | -                 | (31,552)                   | (916)                   | -  | -                         | -                      | -        | (532)                    | (33,000)   |
| 31 December 2020                 | 49,200      | 2,030             | 260,571                    | 117,308                 | 97,465                                   | 27,563                    | 159,000                | 2,000    | 32,137                   | 747,274    |
| Decrease during the year         | (45,000)    | -                 | (2,000)                    | (1,000)                 | (5,001)                                  | (3,000)                   | -                      | -        | -                        | (56,001)   |
| 31 December 2021                 | 4,200       | 2,030             | 258,571                    | 116,308                 | 92,464                                   | 24,563                    | 159,000                | 2,000    | 32,137                   | 691,273    |
| <b>Net book value</b>            |             |                   |                            |                         |  |                           |                        |          |                          |            |
| 31 December 2020                 | 2,336,172   | 351,543           | 8,798,785                  | 2,046,995               | 1,067,486                                | 490,052                   | 282,253                | 51,686   | 1,943,445                | 17,368,417 |
| 31 December 2021                 | 14,394,000  | 323,958           | 9,872,739                  | 1,948,543               | 1,103,496                                | 489,456                   | 244,234                | 53,081   | 1,445,952                | 29,875,459 |
| <b>Depreciation for the year</b> |             |                   |                            |                         |  |                           |                        |          |                          |            |
| 2020                             |             |                   |                            |                         |  |                           |                        |          |                          | 1,573,290  |
| 2021                             |             |                   |                            |                         |  |                           |                        |          |                          | 1,347,380  |

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2021 amounted to Baht 8,729 million (2020: Baht 7,140 million).

(Unit: Thousand Baht)

## Separate financial statements

|                      | Revaluation  | Cost basis   |               |           |            |              |           |             |              |           |
|----------------------|--------------|--------------|---------------|-----------|------------|--------------|-----------|-------------|--------------|-----------|
|                      | basis        |              |               |           |            |              |           |             |              |           |
|                      |              |              | Buildings and | Machinery | Furniture, | Hotel        |           |             |              |           |
|                      | Land         | Land         | building      | and       | office     | operating    | Leasehold | Vehicles    | Construction | Total     |
|                      | improvements | improvements | equipment     | equipment | equipment  | improvements |           | in progress |              |           |
| Cost/Revalued amount |              |              |               |           |            |              |           |             |              |           |
| 1 January 2020       | 774,987      | 310,817      | 2,118,387     | 1,251,103 | 566,673    | 164,384      | 926,300   | 74,261      | 111,863      | 6,298,775 |
| Additions            | -            | 11,099       | 35,397        | 16,884    | 4,585      | 4,217        | 2,072     | -           | 39,347       | 113,601   |
| Transfer in/(out)    | -            | -            | -             | 7,243     | 1,138      | -            | 5,793     | -           | (16,259)     | (2,085)   |
| Disposals/write-off  | -            | (458)        | -             | (18,107)  | (3,716)    | (8,933)      | (5,025)   | (864)       | (2,094)      | (39,197)  |
| 31 December 2020     | 774,987      | 321,458      | 2,153,784     | 1,257,123 | 568,680    | 159,668      | 929,140   | 73,397      | 132,857      | 6,371,094 |
| Revaluations         | 3,435,813    | -            | -             | -         | -          | -            | -         | -           | -            | 3,435,813 |
| Additions            | -            | -            | 13,467        | 3,134     | 2,507      | 3,120        | 1,492     | -           | 14,792       | 38,512    |
| Transfer in/(out)    | -            | -            | 16,635        | 59,219    | 10,707     | -            | 996       | -           | (91,683)     | (4,126)   |
| Disposals/write-off  | -            | -            | (138)         | (7,470)   | (2,969)    | (5,059)      | -         | (2,483)     | -            | (18,119)  |
| 31 December 2021     | 4,210,800    | 321,458      | 2,183,748     | 1,312,006 | 578,925    | 157,729      | 931,628   | 70,914      | 55,966       | 9,823,174 |

(Unit: Thousand Baht)

## Separate financial statements

|                                  | Revaluation basis |                   | Cost basis                          |                         |  |                           |                        |          |                          |
|----------------------------------|-------------------|-------------------|-------------------------------------|-------------------------|--|---------------------------|------------------------|----------|--------------------------|
|                                  | Land              | Land improvements | Buildings and building improvements | Machinery and equipment | Furniture, fixtures and office equipment | Hotel operating equipment | Leasehold improvements | Vehicles | Construction in progress |
| <b>Accumulated depreciation</b>  |                   |                   |                                     |                         |  |                           |                        |          | <b>Total</b>             |
| 1 January 2020                   | -                 | 165,013           | 469,949                             | 745,758                 | 434,591                                  | -                         | 446,350                | 58,311   | -                        |
| Depreciation for the year        | -                 | 15,306            | 40,136                              | 61,256                  | 23,911                                   | -                         | 48,774                 | 2,621    | -                        |
| Disposals/write-off              | -                 | (459)             | -                                   | (14,392)                | (3,131)                                  | -                         | -                      | (735)    | -                        |
| 31 December 2020                 | -                 | 179,860           | 510,085                             | 792,622                 | 455,371                                  | -                         | 495,124                | 60,197   | -                        |
| Depreciation for the year        | -                 | 16,169            | 34,771                              | 61,219                  | 14,944                                   | -                         | 40,242                 | 3,087    | -                        |
| Disposals/write-off              | -                 | -                 | (70)                                | (7,029)                 | (2,980)                                  | -                         | -                      | (2,579)  | -                        |
| 31 December 2021                 | -                 | 196,029           | 544,786                             | 846,812                 | 467,335                                  | -                         | 535,366                | 60,705   | -                        |
| <b>Allowance for impairment</b>  |                   |                   |                                     |                         |  |                           |                        |          |                          |
| 1 January 2020                   | -                 | -                 | -                                   | -                       | -  | -                         | -                      | -        | -                        |
| Increase during the year         | -                 | -                 | -                                   | 21,000                  | 13,000                                   | 21,000                    | 156,000                | 1,000    | -                        |
| 31 December 2020                 | -                 | -                 | -                                   | 21,000                  | 13,000                                   | 21,000                    | 156,000                | 1,000    | -                        |
| 31 December 2021                 | -                 | -                 | -                                   | 21,000                  | 13,000                                   | 21,000                    | 156,000                | 1,000    | -                        |
| <b>Net book value</b>            |                   |                   |                                     |                         |  |                           |                        |          |                          |
| 31 December 2020                 | 774,987           | 141,598           | 1,643,699                           | 443,501                 | 100,309                                  | 138,668                   | 278,016                | 12,200   | 132,857                  |
| 31 December 2021                 | 4,210,800         | 125,429           | 1,638,962                           | 444,194                 | 98,590                                   | 136,729                   | 240,262                | 9,209    | 55,966                   |
| <b>Depreciation for the year</b> |                   |                   |                                     |                         |  |                           |                        |          |                          |
| 2020                             |                   |                   |                                     |                         |  |                           |                        |          | 192,004                  |
| 2021                             |                   |                   |                                     |                         |  |                           |                        |          | 170,432                  |

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2021 amounted to Baht 810 million (2020: Baht 772 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 2021, the net book value of assets under sub-lease land agreement was Baht 2,251 million (2020: Baht 1,733 million).

As at 31 December 2021, the Group has an impairment loss totalling of Baht 1,187 million (the Company only: Baht 669 million) consisting of impairment for property, plant and equipment of Baht 691 million (the Company only: Baht 212 million), right-of-use assets of Baht 492 million (the Company only: Baht 457 million) and intangible assets of Baht 4 million to reduce the carrying amount of the assets to their recoverable amounts. The Company has determined the recoverable amounts of its assets based on value in use using cash flow projections from financial estimation approved by management.

Key assumptions used in value in use calculations are as follows:

|               | (Unit: percent per annum) |      |
|---------------|---------------------------|------|
|               | 2021                      | 2020 |
| Discount rate | 9.3                       | 8.7  |
| Growth rate   | 3.0                       | 3.0  |



During the current year, the Group arranged for an independent professional valuer to appraise the value of its land by using the market approach.

The result of the revaluations showed increases of Baht 12,013 million (the Company only: Baht 3,436 million) in the net book value of the Group's Land. The Group recorded the revaluation increase in other comprehensive income and the cumulative increase is recognised as the "Revaluation surplus on assets" in the shareholders' equity.

Had the land been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2021 would have been as follows:

|      | (Unit: Thousand Baht)                   |                                     |
|------|---|-------------------------------------|
|      | Consolidated<br>financial<br>statements | Separate<br>financial<br>statements |
| Land | 2,336,172                               | 774,987                             |

## 18. Goodwill

Movements of the goodwill account during the years ended 31 December 2021 and 2020 were summarised below.

|   | (Unit: Thousand Baht)                |
|---|--------------------------------------|
|   | Consolidated<br>financial statements |
| As at 31 December 2020 - previously reported                          | 314,602                              |
| Effect of fair value of business acquisition allocation (Note 14.5 a) | 21,426                               |
| As at 31 December 2020 - as restated                                  | 336,028                              |
| Increase from business acquisition (Note 14.5 b)                      | 24,404                               |
| As at 31 December 2021  | 360,432                              |

Goodwill arising from the acquisition of Central Restaurants Group Co., Ltd. and indirect interest in CRG International Food Co., Ltd., Brown Dessert Co., Ltd. and STN Restaurant Co., Ltd. are Baht 115 million, Baht 199 million, Baht 22 million and Baht 24 million, respectively. The Group has 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 value in use are as follows.

|               | Consolidated financial statements |             |                   |             |                         |             |                          |             |
|---------------|-----------------------------------|-------------|-------------------|-------------|-------------------------|-------------|--------------------------|-------------|
|               | Central Restaurants               |             | CRG International |             |                         |             |                          |             |
|               | Group Co., Ltd.                   |             | Food Co., Ltd.    |             | Brown Dessert Co., Ltd. |             | STN Restaurant Co., Ltd. |             |
|               | <u>2021</u>                       | <u>2020</u> | <u>2021</u>       | <u>2020</u> | <u>2021</u>             | <u>2020</u> | <u>2021</u>              | <u>2020</u> |
|               | (Percent)                         | (Percent)   | (Percent)         | (Percent)   | (Percent)               | (Percent)   | (Percent)                | (Percent)   |
| Growth rate   |                                   |             |                   |             |                         |             |                          |             |
| Year 1 - 5    | 14 - 22                           | 10 - 14     | 11 - 37           | 4 - 10      | 23 - 160                | -           | 24 - 316                 | -           |
| After year 5  | -                                 | -           | -                 | -           | -                       | -           | -                        | -           |
| Gross margin  | 64                                | 64          | 69                | 70          | 62                      | -           | 70                       | -           |
| Discount rate | 7.3                               | 7.3         | 7.3               | 7.3         | 7.3                     | -           | 7.3                      | -           |

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.

## 19. Intangible assets

(Unit: Thousand Baht)

| Consolidated financial statements            |                   |                    |                       |           |           |
|--|-------------------|--------------------|-----------------------|-----------|-----------|
|  | Computer software | License agreements | Deferred initial fees | Trademark | Total     |
| <b>Cost</b>                                  |                   |                    |                       |           |           |
| 1 January 2020                               | 354,653           | 239,926            | 464,717               | -         | 1,059,296 |
| Increase from business acquisition           | -                 | -                  | -                     | 49,663    | 49,663    |
| Additions                                    | 65,688            | -                  | 42,654                | -         | 108,342   |
| Transfer in                                  | 2,969             | -                  | -                     | -         | 2,969     |
| Write-off                                    | (3,645)           | -                  | (21,897)              | -         | (25,542)  |
| Effect of movements in exchange rates        | (2,158)           | -                  | -                     | -         | (2,158)   |
| 31 December 2020                             | 417,507           | 239,926            | 485,474               | 49,663    | 1,192,570 |
| Increase from business acquisition           | -                 | -                  | -                     | 190,732   | 190,732   |
| Additions                                    | 46,656            | -                  | 32,640                | -         | 79,296    |
| Transfer in                                  | 4,490             | -                  | -                     | -         | 4,490     |
| Write-off                                    | (61,823)          | -                  | (13,062)              | -         | (74,885)  |
| Effect of movements in exchange rates        | 910               | -                  | -                     | -         | 910       |
| 31 December 2021                             | 407,740           | 239,926            | 505,052               | 240,395   | 1,393,113 |
| <b>Accumulated amortisation</b>              |                   |                    |                       |           |           |
| 1 January 2020                               | 231,607           | 199,939            | 170,463               | -         | 602,009   |
| Amortisation                                 | 20,417            | 23,992             | 45,834                | -         | 90,243    |
| Accumulated amortisation of assets write-off | (4,855)           | -                  | (20,405)              | -         | (25,260)  |
| 31 December 2020                             | 247,169           | 223,931            | 195,892               | -         | 666,992   |
| Amortisation                                 | 18,074            | 15,995             | 47,287                | 11,182    | 92,538    |
| Accumulated amortisation of assets write-off | (40,497)          | -                  | (11,915)              | -         | (52,412)  |
| Effect of movements in exchange rates        | 696               | -                  | -                     | -         | 696       |
| 31 December 2021                             | 225,442           | 239,926            | 231,264               | 11,182    | 707,814   |
| <b>Allowance for impairment</b>              |                   |                    |                       |           |           |
| 1 January 2020                               | 2,393             | -                  | 1,216                 | -         | 3,609     |
| Increase during the year                     | 17,594            | -                  | 1,138                 | -         | 18,732    |
| 31 December 2020                             | 19,987            | -                  | 2,354                 | -         | 22,341    |
| Increase during the year                     | -                 | -                  | 559                   | -         | 559       |
| Decrease during the year                     | (19,344)          | -                  | -                     | -         | (19,344)  |
| 31 December 2021                             | 643               | -                  | 2,913                 | -         | 3,556     |
| <b>Net book value</b>                        |                   |                    |                       |           |           |
| 31 December 2020                             | 150,351           | 15,995             | 287,228               | 49,663    | 503,237   |
| 31 December 2021                             | 181,655           | -                  | 270,875               | 229,213   | 681,743   |

|                                 | (Unit: Thousand Baht) |
|---------------------------------|-----------------------|
|                                 | Separate              |
|                                 | financial statements  |
|                                 | Computer software     |
| <b>Cost</b>                     |                       |
| 1 January 2020                  | 68,953                |
| Additions                       | 649                   |
| Transfer in                     | 2,085                 |
| 31 December 2020                | 71,687                |
| Additions                       | 156                   |
| Transfer in                     | 4,126                 |
| Write-off                       | (32,145)              |
| 31 December 2021                | 43,824                |
| <b>Accumulated amortisation</b> |                       |
| 1 January 2020                  | 60,679                |
| Amortisation                    | 2,770                 |
| 31 December 2020                | 63,449                |
| Amortisation                    | 3,688                 |
| Write-off                       | (32,145)              |
| 31 December 2021                | 34,992                |
| <b>Net book value</b>           |                       |
| 31 December 2020                | 8,238                 |
| 31 December 2021                | 8,832                 |

As at 31 December 2021, the Group recognised impairment loss and disclosed in Note 17.

## 20. Other non-current financial assets

|  | (Unit: Thousand Baht) |             |                      |             |
|--|-----------------------|-------------|----------------------|-------------|
|  | Consolidated          |             | Separate             |             |
|  | financial statements  |             | financial statements |             |
|  | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| <u>Equity instruments designated at FVOCI</u>  |                       |             |                      |             |
| Listed equity instruments                      | 717                   | 680         | -                    | -           |
| Total equity instruments designated at FVOCI   | 717                   | 680         | -                    | -           |
| <u>Financial assets at amortised cost</u>      |                       |             |                      |             |
| Accrued interest - loan in joint venture       | 226,584               | 121,578     | -                    | -           |
| Less: Allowance for expected credit losses     | (24,000)              | (13,000)    | -                    | -           |
| Total financial assets at amortised cost       | 202,584               | 108,578     | -                    | -           |
| Total other non-current financial assets - net | 203,301               | 109,258     | -                    | -           |

## 21. Other non-current assets

|                                  | (Unit: Thousand Baht) |             |                      |             |
|----------------------------------|-----------------------|-------------|----------------------|-------------|
|                                  | Consolidated          |             | Separate             |             |
|                                  | financial statements  |             | financial statements |             |
|                                  | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Deposits                         | 538,600               | 526,460     | 2,658                | 2,054       |
| Advance payment for construction | 25,916                | 17,944      | -                    | -           |
| Others                           | 749                   | 1,341       | 749                  | 1,341       |
| Total                            | 565,265               | 545,745     | 3,407                | 3,395       |

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

(Unit: Thousand Baht)

|  | Interest rate<br>(percent per annum) |             | Consolidated<br>financial statements |                  | Separate<br>financial statements |                |
|--|--------------------------------------|-------------|--------------------------------------|------------------|----------------------------------|----------------|
|  | <u>2021</u>                          | <u>2020</u> | <u>2021</u>                          | <u>2020</u>      | <u>2021</u>                      | <u>2020</u>    |
| Bank overdrafts - unsecured                                    | -                                    | 6.9         | -                                    | 8,446            | -                                | -              |
| Short-term loans from<br>financial institutions -<br>secured   | 1.9 - 3.1                            | 2.0 - 3.2   | 501,298                              | 321,397          | -                                | -              |
| Short-term loans from<br>financial institutions -<br>unsecured | 1.1 - 2.5                            | 1.5 - 1.9   | 1,463,000                            | 1,395,229        | 1,463,000                        | 995,229        |
| <b>Total</b>   |                                      |             | <u>1,964,298</u>                     | <u>1,725,072</u> | <u>1,463,000</u>                 | <u>995,229</u> |

Movements in bank overdrafts and short-term loans from financial institutions during the year ended 31 December 2021 are summarised below.

(Unit: Thousand Baht)

|   | Consolidated<br>financial<br>statements | Separate<br>financial<br>statements |
|---|---|-------------------------------------|
| Balance as at 1 January 2021                      | 1,725,072                               | 995,229                             |
| Add: Additional loan withdrew during the year     | 1,718,997                               | 1,463,000                           |
| Amortisation of transaction costs during the year | 4,771                                   | 4,771                               |
| Less: Repayment during the year                   | (1,526,844)                             | (1,000,000)                         |
| Effect of movements in exchange rates             | 42,302                                  | -                                   |
| Balance as at 31 December 2021                    | <u>1,964,298</u>                        | <u>1,463,000</u>                    |

As at 31 December 2021, the Group has unused credit facilities for bank overdrafts and short-term loans totalling Baht 1,329 million (Separate financial statements: Baht 612 million) (2020: Baht 2,428 million (Separate financial statements: Baht 1,181 million)).

The borrowing include liabilities in the total amount of Baht 501 million (2020: Baht 321 million) in the consolidated financial statement. Loans from financial institutions are guaranteed by the Company and a director of the Company.

### Short-term loan of the Company

In June 2020, the Company entered into a short-term loan agreement with a local financial institution amounting to Baht 1,000 million. The short-term loan carries interest at the rate specified in the agreement with maturity date in June 2021. As at 31 December 2020, the outstanding balance of the aforesaid short-term loan net of transaction cost is Baht 995 million which the Company had fully paid such loan during the year 2021.

From August to December 2021, the Company entered into the loan agreements by issuing short-term promissory notes to four local financial institutions amounting to Baht 1,463 million. The short-term promissory notes carry interest at the rate specified in the promissory notes with the maturity period between February 2022 and June 2022. As at 31 December 2021, the outstanding balance of the aforesaid promissory notes is Baht 1,463 million.

### Short-term loan of the subsidiaries

In December 2020, a subsidiary entered into a loan agreement by issuing a short-term promissory note to a local financial institution amounted to Baht 400 million. A short-term promissory note carries interest at the specified rate in the promissory note with a maturity in March 2021. As at 31 December 2020, the outstanding balance of the aforesaid promissory note is Baht 400 million which the subsidiary had fully paid such promissory note during the year 2021.

During September to December 2021, a foreign subsidiary entered into the loan agreements by issuing short-term promissory notes to three local financial institutions amounted to USD 15 million. The short-term promissory notes carry interest at the rate specified in the promissory notes with a maturity between January 2022 and June 2022. As at 31 December 2021, the outstanding balance of the aforesaid promissory notes are USD 15 million as equivalent of Baht 501.3 million (2020: USD 10.7 million as equivalent of Baht 321.4 million).

## **23. Trade and other payables**

|  | (Unit: Thousand Baht) |                  |                      |                |
|--|-----------------------|------------------|----------------------|----------------|
|  | Consolidated          |                  | Separate             |                |
|  | financial statements  |                  | financial statements |                |
|  | <u>2021</u>           | <u>2020</u>      | <u>2021</u>          | <u>2020</u>    |
| Trade payables - other parties                   | 691,717               | 644,118          | 44,602               | 37,960         |
| Amounts due to related parties                   | 6,226                 | 9,363            | 19,594               | 11,546         |
| Other payables                                   | 81,163                | 72,168           | 34,724               | 28,625         |
| Payables for purchase of buildings and equipment | 186,940               | 146,749          | 1,301                | 1,820          |
| Guest deposits                                   | 259,188               | 253,687          | 82,159               | 73,392         |
| Accrued expenses                                 | 1,386,097             | 697,934          | 47,448               | 43,048         |
| Interest payable                                 | 57,979                | 48,957           | 35,377               | 40,539         |
| Total trade and other payables                   | <u>2,669,310</u>      | <u>1,872,976</u> | <u>265,205</u>       | <u>236,930</u> |

## 24. Long-term loans

| (Unit: Thousand Baht)   |                     |             |                      |             |                      |             |
|---|---------------------|-------------|----------------------|-------------|----------------------|-------------|
|   | Interest rate       |             | Consolidated         |             | Separate             |             |
|   | (percent per annum) |             | financial statements |             | financial statements |             |
|   | <u>2021</u>         | <u>2020</u> | <u>2021</u>          | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| <b>Long-term loans from financial institutions</b>                  |                     |             |                      |             |                      |             |
| Secured   | 1.5 - 2.7           | 1.6 - 3.1   | 716,202              | 856,886     | -                    | -           |
| Unsecured   | 0.9 - 2.4           | 0.9 - 3.0   | 9,837,579            | 4,717,793   | 9,259,554            | 4,311,839   |
| Total   |                     |             | 10,553,781           | 5,574,679   | 9,259,554            | 4,311,839   |
| Less: Portion due within one year                                   |                     |             | (2,075,902)          | (987,277)   | (1,689,684)          | (700,000)   |
| Long-term loans from financial institutions, net of current portion |                     |             | 8,477,879            | 4,587,402   | 7,569,870            | 3,611,839   |

Movements in the long-term loans from financial institution during the year ended 31 December 2021 are summarised below.

| (Unit: Thousand Baht)                             |                                   |                               |
|---|-----------------------------------|-------------------------------|
|   | Consolidated financial statements | Separate financial statements |
| Balance as at 1 January 2021                      | 5,574,679                         | 4,311,839                     |
| Add: Additional loan withdrew during the year     | 5,788,644                         | 5,564,598                     |
| Amortisation of transaction costs during the year | 3,776                             | 3,776                         |
| Less: Repayment during the year                   | (948,903)                         | (700,000)                     |
| Transaction costs during the year                 | (7,750)                           | (7,750)                       |
| Effect of movements in exchange rates             | 143,335                           | 87,091                        |
| Balance as at 31 December 2021                    | 10,553,781                        | 9,259,554                     |

The borrowings include secured liabilities in the total amount of Baht 716 million (2020: Baht 857 million) in the consolidated financial statements. Loans from financial institutions are guaranteed by the Company and a director of the Company.

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



As at 31 December 2021, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 2,300 million (Separate financial statements: Baht 2,300 million) (2020: Baht 4,264 million (Separate financial statements: Baht 4,035 million)).

#### 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 64.0 million. As of 31 December 2021, the stated loan was drawn down in the total amount of USD 56.8 million. The principal is payable in installment term on a three-month basis, starting from the last working day of the 57th 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 2021, the outstanding balance of the aforesaid loan is USD 37.4 million as equivalent of Baht 1,255.4 million (2020: USD 19.0 million as equivalent of Baht 574.9 million).
- b) In November 2018, the Company entered into a loan agreement with a local financial institution for a loan of Baht 700.0 million with a three-year repayable term from the drawdown date. The loan carries interest at the rate specified 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 2020, the outstanding balance of the aforesaid loan was Baht 700.0 million which the Company had fully paid such loan during the year.
- c) In March 2020, the Company entered into a loan agreement with a local financial institution to be source of funds for an investment in a project in Japan amounting to JPY 4,500.0 million. The loan was fully drawn down between 2020 and 2021. The principal is to be fully repaid within eight years from 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 2021, the outstanding balance of the aforesaid loan net of transaction cost is JPY 4,465.2 million as equivalent of Baht 1,314.3 million (2020: JPY 3,061.7 million as equivalent of Baht 902.3 million).

- d) In June 2020, the Company entered into a loan agreement with a local financial institution for a loan of Baht 2,500.0 million. The loan was fully drawn down between 2020 and 2021 and fully repayable within three years from the drawdown date. The loan carries interest at the rate specified in the agreement which is payable in every three months. This loan is an unsecured loan and has a condition with respect to maintaining financial ratios that the Company must comply. As at 31 December 2021, the outstanding balance of the aforesaid loan is Baht 2,500.0 million (2020: Baht 2,000.0 million).
- e) In July 2020, the Company entered into a loan agreement with a local financial institution for a loan of Baht 1,000.0 million. The loan was fully drawn down in 2021 and to be fully repaid within two years from the drawdown date. The loan carries interest at the rate specified in the agreement which is payable in every three months. This loan is an unsecured loan and has a condition with respect to maintaining financial ratios that the Company must comply. As at 31 December 2021, the outstanding balance of the aforesaid loan net of transaction cost is Baht 998.9 million.
- f) In December 2020, the Company entered into a loan agreement with a local financial institution for a loan of Baht 1,500.0 million. The loan was fully drawn down between 2020 and 2021 and fully repayable within two years from the drawdown date. The loan carries interest at the rate specified in the agreement which is payable in every three months. This loan is an unsecured loan and has a condition with respect to maintaining financial ratios that the Company must comply. As at 31 December 2021, the outstanding balance of the aforesaid loan net of transaction cost is Baht 1,497.9 million (2020: Baht 136.1 million).
- g) In June 2021, the Company entered into a loan agreement with a local financial institution for a loan of Baht 2,500.0 million. The loan was drawn down in 2021 totalling Baht 1,700.0 million and to be fully repaid within three years from the drawdown date. The loan carries interest at the rate specified in the agreement which is payable in every three months. This loan is an unsecured loan and has a condition with respect to maintaining financial ratios that the Company must comply. As at 31 December 2021, the outstanding balance of the aforesaid loan net of transaction cost is Baht 1,693.1 million.
- h) In December 2021, the Company entered into a loan agreement with a local financial institution for loan of Baht 1,500.0 million. The loan has not yet been drawn down and to be fully repaid within 2 years and 6 months from the drawdown date. The loan carries interest at the rate specified in the agreement which is payable in every three months. This loan is an unsecured loan and has a condition with respect to maintaining financial ratios that the Company must comply.

#### Long-term loan of the subsidiaries

- i) A foreign subsidiary entered into loan agreements with a local financial institution for credit lines of USD 20.0 million and USD 9.0 million. The loans were fully drawn down between 2013 and 2016 and repayable in quarterly installments within ten years and seven years respectively from the first drawdown date. The loans carried interest at the rates specified in the agreement, which was payable in every three months and guaranteed by a director and the parent company. The loan agreement conditions required the maintenance of financial ratios. As at 31 December 2021, the outstanding loans amounted to USD 9.1 million as equivalent of Baht 304.1 million and USD 4.8 million as equivalent of Baht 160.4 million, respectively (2020: USD 9.8 million as equivalent of Baht 294.4 million and USD 5.2 million as equivalent of Baht 156.2 million, respectively).
- j) A foreign subsidiary entered into a loan agreement with a local financial institution for a credit line of USD 20.4 million. The loan was fully drawn down in March 2017 and repayable in quarterly installments until 2021. The loan carried interest at the rate specified in the agreement and was guaranteed by a director and the parent company. The loan agreement conditions required the maintenance of financial ratios. As at 31 December 2020, the outstanding balance of the aforesaid loan was USD 3.6 million as equivalent of Baht 108.1 million which the subsidiary had fully paid such loan during the year.
- k) A subsidiary entered into a loan agreement with two local financial institutions for credit lines of Baht 177.0 million and Baht 293.0 million. The loans were drawn down between 2017 and 2020 totalling Baht 30.0 million and Baht 288.5 million respectively. The loans were repayable in quarterly installments within ten years and five years from the first drawdown date. The loans carried interest at the rates specified in the agreement, which was payable in every three months and was guaranteed by the parent company. Under the loan agreement conditions, the parent company was required to maintain the financial ratios. As at 31 December 2021, the outstanding balances of the loans amounted to Baht 1.5 million and Baht 250.2 million respectively (2020: Baht 18.8 million and Baht 279.4 million respectively).
- l) A subsidiary entered into a loan agreement with a local financial institution for a credit line of Baht 630.0 million. The loan was fully drawn down between 2019 and 2021 and repayable in quarterly installments within five years, starting from the 27<sup>th</sup> month after the agreement signing 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 2021, the outstanding balance of the loan is Baht 578.0 million (2020: Baht 406.0 million).

## 25. Debentures

|                                | Interest rate | Maturity date     | (Unit: Thousand Baht)     |                  |
|--------------------------------|---------------|-------------------|---------------------------|------------------|
|                                |               |                   | Consolidated and separate |                  |
|                                |               |                   | financial statements      |                  |
|                                | (Percent)     |                   | <u>2021</u>               | <u>2020</u>      |
| No. 2/2016                     | 2.45          | 11 August 2021    | -                         | 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                   | 600,000          |
|                                |               |                   | 3,100,000                 | 4,080,000        |
| Debentures due within one year |               |                   | (1,000,000)               | (980,000)        |
| Debentures due after one year  |               |                   | <u>2,100,000</u>          | <u>3,100,000</u> |

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 30 March 2020, the Company repaid debenture of 800,000 units at a price of Baht 1,000 per unit, totalling Baht 800 million.

On 11 August 2021, the Company repaid debenture of 980,000 units at a price of Baht 1,000 per unit, totalling Baht 980 million.

## 26. Leases

### 26.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 34 years. Several lease contracts specify the option to extend leases term or end the lease terms.

#### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2021 and 2020 are summarised below:

|                                       | (Unit: Thousand Baht)                   |                                     |
|---------------------------------------|---|-------------------------------------|
|                                       | Consolidated<br>financial<br>statements | Separate<br>financial<br>statements |
|                                       | Land and building                       |                                     |
| <b>Cost</b>                           |   |                                     |
| 1 January 2020                        | 10,544,051                              | 1,835,155                           |
| Additions                             | 346,371                                 | 20,130                              |
| Effect of movements in exchange rates | (1,526)                                 | -                                   |
| 31 December 2020                      | 10,888,896                              | 1,855,285                           |
| Additions                             | 105,534                                 | -                                   |
| Lease modification                    | (326,861)                               | -                                   |
| Write-off                             | (583,704)                               | -                                   |
| Effect of movements in exchange rates | 170,888                                 | -                                   |
| 31 December 2021                      | 10,254,753                              | 1,855,285                           |
| <b>Accumulated amortisation</b>       |   |                                     |
| 1 January 2020                        | -                                       | -                                   |
| Depreciation for the year             | 1,754,355                               | 152,977                             |
| 31 December 2020                      | 1,754,355                               | 152,977                             |
| Depreciation for the year             | 1,724,427                               | 119,266                             |
| Write-off                             | (353,268)                               | -                                   |
| 31 December 2021                      | 3,125,514                               | 272,243                             |

|                                 |  | (Unit: Thousand Baht) |            |
|---------------------------------|--|-----------------------|------------|
|                                 |  | Consolidated          | Separate   |
|                                 |  | financial             | financial  |
|                                 |  | statements            | statements |
|                                 |  | Land and building     |            |
| <b>Allowance for impairment</b> |  |                       |            |
| 1 January 2020                  |  | -                     | -          |
| Additions                       |  | 492,000               | 457,000    |
| 31 December 2020                |  | 492,000               | 457,000    |
| 31 December 2021                |  | 492,000               | 457,000    |
| <b>Net book value</b>           |  |                       |            |
| 31 December 2020                |  | 8,642,541             | 1,245,308  |
| 31 December 2021                |  | 6,637,239             | 1,126,042  |

As at 31 December 2021, the Group recognised impairment loss and disclosed in Note 17.

#### b) Lease liabilities

|  |  | (Unit: Thousand Baht) |             |                      |             |
|--|--|-----------------------|-------------|----------------------|-------------|
|  |  | Consolidated          |             | Separate             |             |
|  |  | financial statements  |             | financial statements |             |
|  |  | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Lease payments                             |  | 8,487,310             | 10,894,399  | 1,109,666            | 1,265,227   |
| Less: Deferred interest expenses           |  | (1,746,767)           | (1,919,455) | (125,364)            | (162,352)   |
| Total                                      |  | 6,740,543             | 8,974,944   | 984,302              | 1,102,875   |
| Less: Portion due within one year          |  | (1,516,698)           | (1,888,545) | (130,157)            | (118,572)   |
| Lease liabilities - net of current portion |  | 5,223,845             | 7,086,399   | 854,145              | 984,303     |

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

|                                       | (Unit: Thousand Baht) |                  |                      |                  |
|---------------------------------------|-----------------------|------------------|----------------------|------------------|
|                                       | Consolidated          |                  | Separate             |                  |
|                                       | financial statements  |                  | financial statements |                  |
|                                       | <u>2021</u>           | <u>2020</u>      | <u>2021</u>          | <u>2020</u>      |
| Balance at beginning of year          | 8,974,944             | 9,902,307        | 1,102,875            | 1,189,430        |
| Additions                             | 100,344               | 346,370          | -                    | 20,130           |
| Lease modification                    | (83,896)              | -                | -                    | -                |
| Write-off                             | (625,229)             | -                | -                    | -                |
| Accretion of interest                 | 279,141               | 295,145          | 36,930               | 40,438           |
| Repayments                            | (2,120,615)           | (1,555,869)      | (155,503)            | (147,123)        |
| Effect of movements in exchange rates | 215,854               | (13,009)         | -                    | -                |
| Balance at end of year                | <u>6,740,543</u>      | <u>8,974,944</u> | <u>984,302</u>       | <u>1,102,875</u> |

A maturity analysis of lease payments is disclosed in Note 44 under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

|  | (Unit: Thousand Baht) |             |                      |             |
|--|-----------------------|-------------|----------------------|-------------|
|  | Consolidated          |             | Separate             |             |
|  | financial statements  |             | financial statements |             |
|  | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Depreciation expense of right-of-use assets    | 1,724,427             | 1,754,355   | 119,266              | 152,977     |
| Interest expense on lease liabilities          | 408,474               | 430,548     | 36,930               | 40,438      |
| Expense relating to short-term leases          | 1,064                 | 1,306       | -                    | -           |
| Expense relating to leases of low-value assets | 16,478                | 48,896      | -                    | -           |
| Expense relating to variable lease payments    | 781,989               | 442,090     | -                    | -           |

- A subsidiary acquired leasehold right of Lagoon in Republic of Maldives totaling of Baht 365 million during 2017.

- 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.

- On 4 October 1985, Central Hua Hin Beach Resort Company Limited (CHBR) (a subsidiary) entered into a lease agreement with the State Railway of Thailand (SRT) covering land, hotel buildings and assets of the Hua Hin Railway Hotel for a term of 30 years, expiring on 15 January 2016. The agreement is automatically renewable for an additional period of 3 years and 4 months. If CHBR wishes to continue renting, CHBR has to provide a written notice before the expiration of lease term at least 12 months. The rental rate and the new conditions will be as agreed and fair to both parties. The lease can be extended for two additional renewable terms of 15 years each. CHBR shall pay the rent at the amount stipulated in the agreement commencing on 15 January 1986. In addition, CHBR shall comply with the conditions stipulated in the agreement by placing bank guarantees to SRT.



On 21 October 2013, CHBR was granted the right to renew the lease agreement with SRT covering land, buildings and assets of the Hua Hin Railway Hotel. When the lease agreement expired on 15 January 2016, SRT shall renew the lease agreement for an additional period of 3 years and 4 months under the terms of the original agreement.

On 9 September 2019, CHBR was granted the right to renew the lease agreement for another 1 year from 16 May 2019 to 15 May 2020 with SRT covering land, buildings and assets of the Hua Hin Railway Hotel. CHBR agreed to pay SRT at the amount agreed between both parties and premise tax at the rate stipulated by law.

On 20 July 2020, CHBR was granted the right to renew the lease agreement for another 2 years from 16 May 2020 to 15 May 2022 with SRT covering land, buildings and assets of the Hua Hin Railway Hotel. CHBR agreed to pay SRT at the amount agreed between both parties and premise tax at the rate stipulated by law. The Group presented the said lease agreement as the right-of-use in the consolidated statement of financial position.

On 28 May 2021, CHBR was granted a lease modification with remedial measures from SRT whereby the rental was changed from a fixed rate to an agreed variable rate from 16 May 2021 to 15 May 2022. Therefore, CHBR reversed the right-of-use during the year.

## 27. Other current liabilities

|  | (Unit: Thousand Baht) |                |                      |               |
|--|-----------------------|----------------|----------------------|---------------|
|  | Consolidated          |                | Separate             |               |
|  | financial statements  |                | financial statements |               |
|  | <u>2021</u>           | <u>2020</u>    | <u>2021</u>          | <u>2020</u>   |
| Deposits                                     | 1,435                 | 1,409          | -                    | -             |
| Withholding tax and value added tax payables | 133,968               | 105,992        | 16,037               | 20,044        |
| Total  | <u>135,403</u>        | <u>107,401</u> | <u>16,037</u>        | <u>20,044</u> |

## 28. Provision for long-term employee benefits

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

|   | Consolidated<br>financial statements |                | (Unit: Thousand Baht)            |               |
|---|--------------------------------------|----------------|----------------------------------|---------------|
|   |                                      |                | Separate<br>financial statements |               |
|   | <u>2021</u>                          | <u>2020</u>    | <u>2021</u>                      | <u>2020</u>   |
| Provision for long-term employee benefits |                                      |                |                                  |               |
| at beginning of year                      | 320,897                              | 310,491        | 86,968                           | 102,093       |
| Included in profit or loss:               |                                      |                |                                  |               |
| Current service cost                      | 25,106                               | 71,990         | 5,779                            | 20,371        |
| Interest cost                             | 4,366                                | 7,899          | 890                              | 1,988         |
| Included in other comprehensive income:   |                                      |                |                                  |               |
| Actuarial (gain) loss arising from        |                                      |                |                                  |               |
| Demographic assumptions changes           | -                                    | 10,324         | -                                | 4,217         |
| Financial assumptions changes             | -                                    | (17,120)       | -                                | (2,370)       |
| Experience adjustments                    | -                                    | 26,435         | -                                | (10,961)      |
| Benefits paid during the year             | (50,752)                             | (89,122)       | (12,756)                         | (28,370)      |
| Provision for long-term employee benefits |                                      |                |                                  |               |
| at end of year                            | <u>299,617</u>                       | <u>320,897</u> | <u>80,881</u>                    | <u>86,968</u> |

During the year 2020, the Group arranged the Voluntary Early Retirement Program for its employee and some employees signed up for this program. The Group made severance payment of Baht 59.3 million to the employees in accordance with the labor law (the Company only: Baht 21.9 million).

The Group expect to pay Baht 19.8 million of long-term employee benefits during the next year (the Company only: Baht 9.3 million) (2020: Baht 54 million (the Company only: Baht 32 million)).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 11 years (the Company only: 11 years) (2020: 11 years (the Company only: 11 years)).

Significant actuarial assumptions are summarised below:

|                      | Consolidated<br>financial statements |              | (Unit: Percent per annum)        |              |
|----------------------|--------------------------------------|--------------|----------------------------------|--------------|
|                      |                                      |              | Separate<br>financial statements |              |
|                      | <u>2021</u>                          | <u>2020</u>  | <u>2021</u>                      | <u>2020</u>  |
| Discount rate        | 1.59                                 | 1.59         | 1.59                             | 1.59         |
| Salary increase rate | 4                                    | 4            | 4                                | 4            |
| Turnover rate        | 7.64 - 45.84                         | 7.64 - 45.84 | 7.64 - 45.84                     | 7.64 - 45.84 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

|                           | (Unit: Million Baht)                 |             |             |             |                                  |             |             |             |
|---------------------------|--------------------------------------|-------------|-------------|-------------|----------------------------------|-------------|-------------|-------------|
|                           | Consolidated<br>financial statements |             |             |             | Separate<br>financial statements |             |             |             |
|                           | Liability increase (decrease)        |             |             |             | Liability increase (decrease)    |             |             |             |
|                           | Increase                             |             | Decrease    |             | Increase                         |             | Decrease    |             |
|                           | <u>2021</u>                          | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u>                      | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Discount rate (1%)        | (24)                                 | (24)        | 28          | 28          | (4)                              | (4)         | 4           | 4           |
| Salary increase rate (1%) | 30                                   | 26          | (26)        | (23)        | 5                                | 4           | (4)         | (4)         |
| Turnover rate (10%)       | (24)                                 | (21)        | 31          | 28          | (4)                              | (4)         | 5           | 5           |

## 29. Provision for decommissioning

|                            | (Unit: Thousand Baht)                   |
|----------------------------|---|
|                            | Consolidated<br>financial<br>statements |
| <b>At 1 January 2020</b>   | 135,062                                 |
| Provision made             | 15,300                                  |
| Provision used             | (9,108)                                 |
| <b>At 31 December 2020</b> | 141,254                                 |
| Provision made             | 25,375                                  |
| Provision used             | (11,393)                                |
| <b>At 31 December 2021</b> | 155,236                                 |

## 30. 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.

### 31. 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.

### 32. Other income

|  | (Unit: Thousand Baht) |                |                      |                |
|--|-----------------------|----------------|----------------------|----------------|
|  | Consolidated          |                | Separate             |                |
|  | financial statements  |                | financial statements |                |
|  | <u>2021</u>           | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| Management fee income                      | 72,352                | 77,547         | 5,607                | 5,000          |
| Service income                             | -                     | -              | 63,367               | 68,703         |
| Insurance claim                            | 4,871                 | 6,642          | -                    | -              |
| Income from loan guarantee of subsidiaries | -                     | -              | 7,224                | 6,385          |
| Rental and other services income           | 18,780                | 6,522          | -                    | -              |
| Subsidy                                    | 12,560                | 12,560         | -                    | -              |
| Sale of used oil                           | 13,259                | 17,937         | -                    | -              |
| Gain from sale on assets                   | 60,215                | -              | -                    | -              |
| Others                                     | 135,219               | 132,079        | 15,129               | 47,621         |
| <b>Total</b>                               | <u>317,256</u>        | <u>253,287</u> | <u>91,327</u>        | <u>127,709</u> |

### 33. Finance income

|                                  | (Unit: Thousand Baht) |               |                      |                |
|----------------------------------|-----------------------|---------------|----------------------|----------------|
|                                  | Consolidated          |               | Separate             |                |
|                                  | financial statements  |               | financial statements |                |
|                                  | <u>2021</u>           | <u>2020</u>   | <u>2021</u>          | <u>2020</u>    |
| Interest income on bank deposits | 13,628                | 21,440        | 191                  | 1,342          |
| Interest income on loans         | 93,270                | 67,698        | 234,334              | 144,778        |
| <b>Total</b>                     | <u>106,898</u>        | <u>89,138</u> | <u>234,525</u>       | <u>146,120</u> |

### 34. Finance cost

|   | (Unit: Thousand Baht) |                |                      |                |
|---|-----------------------|----------------|----------------------|----------------|
|   | Consolidated          |                | Separate             |                |
|   | financial statements  |                | financial statements |                |
|   | <u>2021</u>           | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| Interest expenses on lease liabilities            | 408,474               | 430,548        | 36,930               | 40,438         |
| Bank overdrafts, loans and debentures             | 309,471               | 238,192        | 272,211              | 196,571        |
| Interest expenses on borrowings from subsidiaries | -                     | -              | 6,478                | 12,393         |
| <b>Total</b>                                      | <b>717,945</b>        | <b>668,740</b> | <b>315,619</b>       | <b>249,402</b> |

### 35. Expenses by nature

Significant expenses classified by nature are as follows:

|                                | (Unit: Thousand Baht) |             |                      |             |
|--------------------------------|-----------------------|-------------|----------------------|-------------|
|                                | Consolidated          |             | Separate             |             |
|                                | financial statements  |             | financial statements |             |
|                                | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Cost of food and beverage used | 3,388,961             | 3,939,662   | 67,704               | 138,432     |
| Employee benefit expenses      | 3,199,748             | 3,708,704   | 424,927              | 558,870     |
| Royalty fee                    | 409,753               | 463,241     | -                    | -           |
| Management fee                 | 36,417                | 35,170      | 35,973               | 65,269      |
| Land and buildings rental      | 799,531               | 492,292     | -                    | -           |
| Depreciation and amortization  | 3,167,499             | 3,421,052   | 305,498              | 360,671     |

### 36. Employee benefit expenses

|  | (Unit: Thousand Baht) |                  |                      |                |
|--|-----------------------|------------------|----------------------|----------------|
|  | Consolidated          |                  | Separate             |                |
|  | financial statements  |                  | financial statements |                |
|  | <u>2021</u>           | <u>2020</u>      | <u>2021</u>          | <u>2020</u>    |
| Wages and salaries                     | 2,566,656             | 2,910,285        | 316,505              | 376,628        |
| Defined benefit plans                  | 29,472                | 79,889           | 6,669                | 22,359         |
| Defined contribution plans             | 29,231                | 35,971           | 10,186               | 13,732         |
| Others                                 | 574,389               | 682,559          | 91,567               | 146,151        |
| <b>Total employee benefit expenses</b> | <b>3,199,748</b>      | <b>3,708,704</b> | <b>424,927</b>       | <b>558,870</b> |

### 37. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 were made up as follows:

|  | Consolidated         |                  | (Unit: Thousand Baht) |                  |
|--|----------------------|------------------|-----------------------|------------------|
|  | financial statements |                  | Separate              |                  |
|  | <u>2021</u>          | <u>2020</u>      | <u>2021</u>           | <u>2020</u>      |
| <b>Current income tax</b>                                      |                      |                  |                       |                  |
| Current income tax charge                                      | 25,091               | 5,569            | -                     | -                |
| Adjustment in respect of current income tax of previous year   | 1,146                | (6,548)          | (1,229)               | -                |
| <b>Deferred tax</b>  |                      |                  |                       |                  |
| Relating to origination and reversal of temporary differences  | (103,780)            | (434,187)        | 32,996                | (174,689)        |
| <b>Income tax (income) expenses reported in profit or loss</b> | <u>(77,543)</u>      | <u>(435,166)</u> | <u>31,767</u>         | <u>(174,689)</u> |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

|   | Consolidated         |              | (Unit: Thousand Baht) |                |
|---|----------------------|--------------|-----------------------|----------------|
|   | financial statements |              | Separate              |                |
|   | <u>2021</u>          | <u>2020</u>  | <u>2021</u>           | <u>2020</u>    |
| Deferred tax on gain from revaluation on land   | (2,402,566)          | -            | (687,163)             | -              |
| Deferred tax for actuarial gain (loss)  | -                    | 3,782        | -                     | (1,823)        |
| Deferred tax for gain (loss) on equity investment designated at fair value through other comprehensive income | (7)                  | 49           | -                     | -              |
| <b>Income tax income (expenses) charged to other comprehensive income</b>                                     | <u>(2,402,573)</u>   | <u>3,831</u> | <u>(687,163)</u>      | <u>(1,823)</u> |

The reconciliation between accounting loss and income tax (income) expenses is shown below.

|  | (Unit: Thousand Baht) |                    |                      |                    |
|--|-----------------------|--------------------|----------------------|--------------------|
|  | Consolidated          |                    | Separate             |                    |
|  | financial statements  |                    | financial statements |                    |
|  | <u>2021</u>           | <u>2020</u>        | <u>2021</u>          | <u>2020</u>        |
| Loss before income tax expenses  | <u>(1,834,943)</u>    | <u>(3,332,818)</u> | <u>(1,180,436)</u>   | <u>(1,854,400)</u> |
| Applicable tax rate  | 0 - 20%               | 0 - 20%            | 20%                  | 20%                |
| Accounting loss before tax multiplied by income tax rate                 | (366,989)             | (666,564)          | (236,087)            | (370,880)          |
| Effect of different tax rates in foreign jurisdictions                   | (1,514)               | 15,042             | -                    | -                  |
| Effect of share of loss of investment in associate and joint ventures    | 12,817                | 4,188              | -                    | -                  |
| Income not subject to tax  | (23,244)              | (11,530)           | (24,524)             | (28,845)           |
| Profits subject to promotional privileges                                | -                     | 11,028             | -                    | -                  |
| Effects of:  |                       |                    |                      |                    |
| Non deductible expenses  | 13,508                | 24,595             | 125,169              | 100,334            |
| Additional expense deduction allowed                                     | (32,531)              | (98,433)           | (2,147)              | (35,158)           |
| Recognised of previously unrecognised tax losses                         | -                     | (1,254)            | -                    | -                  |
| Others   | 36,413                | (18,447)           | 6,723                | 22,014             |
| Total  | 17,390                | (93,539)           | 129,745              | 87,190             |
| Current year losses for which no deferred tax asset was recognised       | 296,705               | 272,319            | 163,862              | 114,533            |
| Deferred income tax initial recognition and reversal                     | (29,410)              | 23,313             | -                    | 23,313             |
| Unrealised losses resulting from intergroup transaction                  | 15,556                | 17,125             | -                    | -                  |
| Adjustment in respect of under (over) record of income tax of prior year | 1,146                 | (6,548)            | (1,229)              | -                  |
| Income tax (income) expenses reported in profit or loss                  | <u>(77,543)</u>       | <u>(435,166)</u>   | <u>31,767</u>        | <u>(174,689)</u>   |

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>2021</u>          | <u>2020</u>      | <u>2021</u>          | <u>2020</u>     |
|   | (Restated)           |                  |                      |                 |
| <b>Deferred tax assets</b>                          |                      |                  |                      |                 |
| Allowance for impairment of non-financial assets    | 213,600              | 233,898          | 133,800              | 133,800         |
| Allowance for expected credit losses                | 18,981               | 6,427            | 4,277                | 4,637           |
| Difference on depreciation                          | 109,502              | 58,247           | -                    | -               |
| Allowance for impairment of investment in associate | 46,413               | 46,413           | 46,413               | 46,413          |
| Employee benefit obligation                         | 59,680               | 50,489           | 16,176               | 17,394          |
| Loss carried forward                                | 278,369              | 155,219          | -                    | -               |
| Leases  | 156,106              | 181,651          | 65,559               | 71,142          |
| Others  | 12,914               | 65,071           | -                    | -               |
| <b>Total</b>  | <b>895,565</b>       | <b>797,415</b>   | <b>266,225</b>       | <b>273,386</b>  |
| <b>Deferred tax liability</b>                       |                      |                  |                      |                 |
| Difference on depreciation                          | (385,541)            | (392,137)        | (123,671)            | (99,631)        |
| Gain from revaluation on land                       | (2,402,566)          | -                | (687,163)            | -               |
| Leases  | -                    | (1,323)          | -                    | -               |
| Others  | (45,311)             | (10,029)         | (1,795)              | -               |
| <b>Total</b>  | <b>(2,833,418)</b>   | <b>(403,489)</b> | <b>(812,629)</b>     | <b>(99,631)</b> |

(Unit: Thousand Baht)

|  | Consolidated financial statements |                |                    |                  |
|--|-----------------------------------|----------------|--------------------|------------------|
|  | Asset                             |                | Liability          |                  |
|  | <u>2021</u>                       | <u>2020</u>    | <u>2021</u>        | <u>2020</u>      |
|  |                                   |                |                    | (Restated)       |
| <b>Total</b>                                 | <b>895,565</b>                    | <b>797,415</b> | <b>(2,833,418)</b> | <b>(403,489)</b> |
| Set off of tax                               | (449,827)                         | (245,354)      | 449,827            | 245,354          |
| <b>Net deferred tax assets (liabilities)</b> | <b>445,738</b>                    | <b>552,061</b> | <b>(2,383,591)</b> | <b>(158,135)</b> |

(Unit: Thousand Baht)

|  | Separate financial statements |                |                  |                 |
|--|-------------------------------|----------------|------------------|-----------------|
|  | Asset                         |                | Liability        |                 |
|  | <u>2021</u>                   | <u>2020</u>    | <u>2021</u>      | <u>2020</u>     |
|  |                               |                |                  |                 |
| <b>Total</b>                                 | <b>266,225</b>                | <b>273,386</b> | <b>(812,629)</b> | <b>(99,631)</b> |
| Set off of tax                               | (266,225)                     | (99,631)       | 266,225          | 99,631          |
| <b>Net deferred tax assets (liabilities)</b> | <b>-</b>                      | <b>173,755</b> | <b>(546,404)</b> | <b>-</b>        |



As at 31 December 2021, the Group has unused tax losses totalling Baht 2,865 million (2020: Baht 1,491 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 2022 - 2026.

### **38. Loss per share**

Basic loss per share for the owner of the Company is calculated by dividing loss 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.

### **39. Dividends**

At the annual general meeting of the shareholders of the Company held on 29 June 2020, the shareholders approved a resolution not to pay any dividends for full year 2019 operating performance results.

At the annual general meeting of the shareholders of the Company held on 28 April 2021, the shareholders approved a resolution not to pay any dividends for full year 2020 operating performance results.

### **40. Segment information**

The Group has 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 is organised into business units based on nature of business. During the current period, the Group has 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 2021 and 2020, 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 |         |
|   | 2021                                 | 2020    | 2021                         | 2020    | 2021    | 2020    | 2021                         | 2020  | 2021         | 2020    |
| Sales and services income                                     |                                      |         |                              |         |         |         |                              |       |              |         |
| - Third parties   | 2,069                                | 2,855   | 9,128                        | 10,038  | 11,197  | 12,893  | -                            | -     | 11,197       | 12,893  |
| - Related parties   | 2                                    | 4       | 51                           | 63      | 53      | 67      | (53)                         | (67)  | -            | -       |
| Total sales and services income                               | 2,071                                | 2,859   | 9,179                        | 10,101  | 11,250  | 12,960  | (53)                         | (67)  | 11,197       | 12,893  |
| Cost of sales and services                                    | (2,493)                              | (3,192) | (5,119)                      | (5,662) | (7,612) | (8,854) | (1)                          | 17    | (7,613)      | (8,837) |
| Gross profit (loss)   | (422)                                | (333)   | 4,060                        | 4,439   | 3,638   | 4,106   | (54)                         | (50)  | 3,584        | 4,056   |
| Unallocated income (expenses):                                |                                      |         |                              |         |         |         |                              |       |              |         |
| Other income and finance income                               | 1,256                                | 1,026   | 214                          | 128     | 1,470   | 1,154   | (1,032)                      | (797) | 438          | 357     |
| Selling expenses  | (133)                                | (165)   | (358)                        | (395)   | (491)   | (560)   | 41                           | 55    | (450)        | (505)   |
| Administrative expenses                                       | (2,219)                              | (2,655) | (3,476)                      | (4,087) | (5,695) | (6,742) | 1,070                        | 1,416 | (4,625)      | (5,326) |
| Impairment loss for non-financial assets                      | -                                    | (1,205) | -                            | (20)    | -       | (1,225) | -                            | -     | -            | (1,225) |
| Share of loss from investment in associate and joint ventures | (38)                                 | (15)    | (26)                         | (6)     | (64)    | (21)    | -                            | -     | (64)         | (21)    |
| Finance cost  | (871)                                | (681)   | (132)                        | (144)   | (1,003) | (825)   | 285                          | 156   | (718)        | (669)   |
| Income tax income (expenses)                                  | 131                                  | 388     | (56)                         | 47      | 75      | 435     | 3                            | -     | 78           | 435     |
| Profit (loss) for the year                                    | (2,296)                              | (3,640) | 226                          | (38)    | (2,070) | (3,678) | 313                          | 780   | (1,757)      | (2,898) |

## Geographic information

The Group is 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>2021</u>          | <u>2020</u>   | <u>2021</u>     | <u>2020</u>    | <u>2021</u>     | <u>2020</u>     |
| Thailand             | 10,239               | 12,516        | (2,050)         | (3,262)        | 78,507          | 60,442          |
| Republic of Maldives | 1,011                | 444           | (20)            | (416)          | 3,987           | 3,615           |
| Eliminations         | <u>(53)</u>          | <u>(67)</u>   | <u>313</u>      | <u>780</u>     | <u>(33,901)</u> | <u>(28,707)</u> |
| Total                | <u>11,197</u>        | <u>12,893</u> | <u>(1,757)</u>  | <u>(2,898)</u> | <u>48,593</u>   | <u>35,350</u>   |

## Major customers

For the years 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

### 41. Provident fund

The Company and its 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 2021 by the Group amounting to approximately Baht 29 million (2020: Baht 36 million) were recognised as expenses, the Company only: Baht 10 million (2020: Baht 14 million).

## 42. Commitments and contingent liabilities

### 42.1 Capital commitments

As at 31 December 2021 and 2020, the Group had capital commitments as follows:

|                                   | (Unit: Million Baht) |                |                      |             |
|-----------------------------------|----------------------|----------------|----------------------|-------------|
|                                   | Consolidated         |                | Separate             |             |
|                                   | financial statements |                | financial statements |             |
|                                   | <u>2021</u>          | <u>2020</u>    | <u>2021</u>          | <u>2020</u> |
| Hotel construction and renovation | 2,886.1              | 4,157.9        | 5.7                  | 12.9        |
| Machinery and equipment           | 22.6                 | 19.9           | -                    | -           |
| Total                             | <u>2,908.7</u>       | <u>4,177.8</u> | <u>5.7</u>           | <u>12.9</u> |

As at 31 December 2021, the above capital commitment of the Group included the share of capital commitment jointly had with other investors in joint ventures of Baht 2,616.5 million (2020: Baht 3,085.4 million).

### 42.2 Guarantees

#### 42.2.1 Bank guarantees

As at 31 December 2021 and 2020, 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         |             | Separate             |             |
|   | financial statements |             | financial statements |             |
|   | <u>2021</u>          | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Guarantees for rental                   | 171                  | 171         | 59                   | 59          |
| Guarantee electricity use, among others | 44                   | 46          | 8                    | 8           |
| Total                                   | <u>215</u>           | <u>217</u>  | <u>67</u>            | <u>67</u>   |

#### 42.2.2 Related parties guarantees

##### The Company

As at 31 December 2021, the Company and a director of the Company provided guarantees to various local financial institutions for loans facility of two subsidiaries in the amount of Baht 2,460 million (2020: Baht 3,214 million). As at 31 December 2021, the outstanding balance of these loans are Baht 1,218 million (2020: Baht 1,578 million).

## **Subsidiary**

As at 31 December 2021, 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 60.8 million (2020: Baht 60.8 million).

### **42.3 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 with respect to purchases of raw materials with a local supplier for a period of 12 months starting from the agreement date. The subsidiary agreed to purchase raw materials in accordance with the price and quantity specified in the agreements and agreed to pay advance payment at the amount specified in the agreements. The advance payment will be returned in full when the agreements expired.
- c) A subsidiary entered into food license agreements with many local food businesses whereby the subsidiary has been permitted to use those businesses’ logos to operate the subsidiary’s business. In consideration thereof, the subsidiary has agreed to pay various fees as stipulated in the agreements. The subsidiary has to comply with the terms and conditions as prescribed in the agreements.
- d) A subsidiary entered into an agreement to obtain the transfer trademark license “Arigato” from a related company. Under this agreement, the subsidiary has a right to use this trademark to operate bakery and beverage restaurants and agreed to pay the license transfer fee at the amount specified in the agreement.
- e) A foreign joint venture entered into franchise agreements with its related company to obtain the right to business operate under trademark. The joint venture is required to pay a fee at the amount specified in the agreements.

#### 42.4 Contingent liabilities

On 12 July 2017, a subsidiary filed a statement of claim with Arbitral Tribunal of Thailand Arbitration Center (THAC) against a receivable (the respondent) for a compensation of totaling Baht 209.8 million plus interest with respect to the unpaid management fee of Baht 51.2 million and for other damages on the grounds of breach of hotel management contract. On 27 December 2017, the respondent filed a counterclaim statement, rejecting to pay the compensation and demanded a 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 respondent's hotel. The subsidiary then filed a reply to the counterclaim. On 4 December 2019, the Arbitrator declared an award that the respondent shall pay Baht 52.3 million to the subsidiary with interest at the rate of 8.875 percent per annum, calculating from the date the award was declared until the payment was fully made, and counterclaims of the respondent were dismissed. However, the respondent failed to comply with the arbitration award. On 30 March 2020, the subsidiary submitted a petition to the Central Intellectual Property and International Trade Court, requesting the Court to pronounce judgment according to the arbitration award. On 28 September 2020, the respondent filed an objection against the petition of the subsidiary with the Court. The taking of evidence of both parties was completed on 15 March 2021. The Central Intellectual Property and International Trade Court issued a judgement on 16 June 2021 to enforce the arbitral award. On 2 September 2021, the subsidiary was informed that the respondent filed an appeal against the judgment of the Central Intellectual Property and International Trade Court and submitted a petition for a stay of execution. Subsequently, on 8 November 2021, the subsidiary filed the answer to the objector's appeal and the case is during the consideration of the Appeal Court.

#### 43. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

|  | (Unit: Million Baht)              |             |             |             |             |             |             |             |
|--|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | Consolidated financial statements |             |             |             |             |             |             |             |
|  | Level 1                           |             | Level 2     |             | Level 3     |             | Total       |             |
|  | <u>2021</u>                       | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| <b>Financial assets measured at fair value</b>   |                                   |             |             |             |             |             |             |             |
| Investments available-for-sale                   |                                   |             |             |             |             |             |             |             |
| securities - equity instruments                  | -                                 | -           | 1           | 1           | -           | -           | 1           | 1           |
| Land   | -                                 | -           | 14,394      | -           | -           | -           | 14,394      | -           |
| <b>Financial assets disclosure of fair value</b> |                                   |             |             |             |             |             |             |             |
| Investment properties                            | -                                 | -           | -           | -           | 1,300       | 1,300       | 1,300       | 1,300       |

(Unit: Million Baht)

|  | Separate financial statements |             |             |             |             |             |             |             |
|--|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | Level 1                       |             | Level 2     |             | Level 3     |             | Total       |             |
|  | <u>2021</u>                   | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| <b>Financial assets measured at fair value</b>   |                               |             |             |             |             |             |             |             |
| Land   | -                             | -           | 4,211       | -           | -           | -           | 4,211       | -           |
| <b>Financial assets disclosure of fair value</b> |                               |             |             |             |             |             |             |             |
| Investment properties                            | -                             | -           | -           | -           | 955         | 980         | 955         | 980         |

## 44. Financial instruments

### 44.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade accounts receivable, other account receivable, loans, deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### **Trade receivables**

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

### ***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

### ***Foreign currency risk***

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

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

| Foreign currency             | Consolidated<br>financial statements |             | Separate<br>financial statements |             | Exchange rate as at<br>31 December    |             |
|------------------------------|--------------------------------------|-------------|----------------------------------|-------------|---------------------------------------|-------------|
|                              | <u>2021</u>                          | <u>2020</u> | <u>2021</u>                      | <u>2020</u> | <u>2021</u>                           | <u>2020</u> |
|                              | (Million)                            |             | (Million)                        |             | (Baht per 1 foreign<br>currency unit) |             |
| <b>Financial liabilities</b> |                                      |             |                                  |             |                                       |             |
| US dollar                    | 37                                   | 19          | 37                               | 19          | 33.42                                 | 30.04       |
| Yen                          | 4,500                                | 3,100       | 4,500                            | 3,100       | 0.29                                  | 0.29        |

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

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

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date).



(Unit: Million Baht)

|  | Consolidated financial statements |              |              |              |                        |              |              |              |              |              |               |               |                         |             |
|--|-----------------------------------|--------------|--------------|--------------|------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|-------------------------|-------------|
|  | Fixed interest rates              |              |              |              | Floating interest rate |              |              |              |              |              |               |               | Effective interest rate |             |
|  | Within 1 year                     |              | 1-5 year     |              | Within 1 year          |              | 1-5 year     |              | Non-interest |              | Total         |               | (% per annum)           |             |
|  | <u>2021</u>                       | <u>2020</u>  | <u>2021</u>  | <u>2020</u>  | <u>2021</u>            | <u>2020</u>  | <u>2021</u>  | <u>2020</u>  | <u>2021</u>  | <u>2020</u>  | <u>2021</u>   | <u>2020</u>   | <u>2021</u>             | <u>2020</u> |
| Financial assets   |                                   |              |              |              |                        |              |              |              |              |              |               |               |                         |             |
| Cash and cash equivalents                                      | -                                 | -            | -            | -            | 2,405                  | 2,267        | -            | -            | 949          | 467          | 3,354         | 2,734         | 0.13 - 0.25             | 0.13 - 1.40 |
| Trade and other receivables                                    | -                                 | -            | -            | -            | -                      | -            | -            | -            | 801          | 514          | 801           | 514           | -                       | -           |
| Short-term loans to related parties                            | 15                                | -            | -            | -            | -                      | -            | -            | -            | -            | -            | 15            | -             | 2.0                     | -           |
| Other current financial assets                                 | 500                               | 90           | -            | -            | -                      | -            | -            | -            | -            | -            | 500           | 90            | 0.65 - 1.75             | 1.75        |
| Other non-current financial assets                             | -                                 | -            | -            | -            | -                      | -            | 202          | 108          | 1            | 1            | 203           | 109           | 5.3 - 5.7               | 5.3 - 7.1   |
|  | <u>515</u>                        | <u>90</u>    | <u>-</u>     | <u>-</u>     | <u>2,405</u>           | <u>2,267</u> | <u>202</u>   | <u>108</u>   | <u>1,751</u> | <u>982</u>   | <u>4,873</u>  | <u>3,447</u>  |                         |             |
| Financial liabilities  |                                   |              |              |              |                        |              |              |              |              |              |               |               |                         |             |
| Bank overdraft and short-term loan from financial institutions | 1,463                             | 1,395        | -            | -            | 501                    | 330          | -            | -            | -            | -            | 1,964         | 1,725         | 1.1 - 3.1               | 1.5 - 3.2   |
| Trade and other payables                                       | -                                 | -            | -            | -            | -                      | -            | -            | -            | 2,669        | 1,873        | 2,669         | 1,873         | -                       | -           |
| Short-term loans from related individual                       | 5                                 | -            | -            | -            | -                      | -            | -            | -            | -            | -            | 5             | -             | 2.0                     | -           |
| Long-term loans from related individual                        | -                                 | -            | 61           | 52           | -                      | -            | -            | -            | -            | -            | 61            | 52            | 3.0                     | 3.0         |
| Long-term loans from financial institutions                    | -                                 | 700          | -            | -            | 2,076                  | 287          | 8,478        | 4,588        | -            | -            | 10,554        | 5,575         | 0.9 - 2.7               | 0.9 - 3.1   |
| Debentures   | 1,000                             | 980          | 2,100        | 3,100        | -                      | -            | -            | -            | -            | -            | 3,100         | 4,080         | 2.4 - 3.4               | 2.4 - 3.4   |
| Other current financial liabilities                            | -                                 | -            | -            | -            | -                      | -            | -            | -            | 128          | 135          | 128           | 135           | -                       | -           |
|  | <u>2,468</u>                      | <u>3,075</u> | <u>2,161</u> | <u>3,152</u> | <u>2,577</u>           | <u>617</u>   | <u>8,478</u> | <u>4,588</u> | <u>2,797</u> | <u>2,008</u> | <u>18,481</u> | <u>13,440</u> |                         |             |

(Unit: Million Baht)

|  | Separate financial statements |             |             |             |                        |             |             |             |              |             |             |             | Effective interest rate<br>(% per annum) |             |
|--|-------------------------------|-------------|-------------|-------------|------------------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--|-------------|
|  | Fixed interest rates          |             |             |             | Floating interest rate |             |             |             | Non-interest |             | Total       |             |  |             |
|  | Within 1 year                 |             | 1-5 year    |             | Within 1 year          |             | 1-5 year    |             |              |             |             |             |  |             |
|  | <u>2021</u>                   | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u>            | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u>  | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u>                              | <u>2020</u> |
| <b>Financial assets</b>  |                               |             |             |             |                        |             |             |             |              |             |             |             |  |             |
| Cash and cash equivalents                                      | -                             | -           | -           | -           | -                      | -           | -           | -           | 273          | 184         | 273         | 184         | -  | -           |
| Trade and other receivables                                    | -                             | -           | -           | -           | -                      | -           | -           | -           | 122          | 80          | 122         | 80          | -  | -           |
| Dividend receivables   | -                             | -           | -           | -           | -                      | -           | -           | -           | 80           | -           | 80          | -           | -  | -           |
| Short-term loans to related parties                            | -                             | 33          | -           | -           | -                      | -           | -           | -           | -            | -           | -           | 33          | -  | 3.0         |
| Long-term loans to related parties                             | -                             | -           | 8,399       | 5,118       | -                      | -           | -           | -           | -            | -           | 8,399       | 5,118       | 3.0                                      | 3.0         |
|  | -                             | 33          | 8,399       | 5,118       | -                      | -           | -           | -           | 475          | 264         | 8,874       | 5,415       |  |             |
| <b>Financial liabilities</b>                                   |                               |             |             |             |                        |             |             |             |              |             |             |             |  |             |
| Bank overdraft and short-term loan from financial institutions | 1,463                         | 995         | -           | -           | -                      | -           | -           | -           | -            | -           | 1,463       | 995         | 1.1 - 2.5                                | 1.5         |
| Trade and other payables                                       | -                             | -           | -           | -           | -                      | -           | -           | -           | 265          | 237         | 265         | 237         | -  | -           |
| Short-term loans from related parties                          | 157                           | 377         | -           | -           | -                      | -           | -           | -           | -            | -           | 157         | 377         | 2.0 - 3.0                                | 1.57 - 3.0  |
| Long-term loans from financial institutions                    | -                             | 700         | -           | -           | 1,690                  | -           | 7,570       | 3,612       | -            | -           | 9,260       | 4,312       | 0.9 - 2.4                                | 0.9 - 3.0   |
| Debentures   | 1,000                         | 980         | 2,100       | 3,100       | -                      | -           | -           | -           | -            | -           | 3,100       | 4,080       | 2.4 - 3.4                                | 2.4 - 3.4   |
| Other current financial liabilities                            | -                             | -           | -           | -           | -                      | -           | -           | -           | 2            | 2           | 2           | 2           | -  | -           |
|  | 2,620                         | 3,052       | 2,100       | 3,100       | 1,690                  | -           | 7,570       | 3,612       | 267          | 239         | 14,247      | 10,003      |  |             |

### Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of loans to and loans from affected as at 31 December 2021 and 2020, with all other variables held constant.

| Consolidated financial statements |                         |                        |                         |                        |
|-----------------------------------|-------------------------|------------------------|-------------------------|------------------------|
| Currency                          | 2021                    |                        | 2020                    |                        |
|                                   | Increase/<br>(decrease) | Effect on profit       | Increase/<br>(decrease) | Effect on profit       |
|                                   |                         | before tax             |                         | before tax             |
|                                   |                         | increase<br>(decrease) |                         | increase<br>(decrease) |
|                                   | (%)                     | (Thousand<br>Baht)     | (%)                     | (Thousand<br>Baht)     |
| Baht                              | 1                       | (65,482)               | 1                       | (22,784)               |
|                                   | (1)                     | 65,482                 | (1)                     | 22,784                 |
| US dollar                         | 1                       | (15,425)               | 1                       | (9,013)                |
|                                   | (1)                     | 15,425                 | (1)                     | 9,013                  |
| Yen                               | 1                       | (10,382)               | 1                       | (7,084)                |
|                                   | (1)                     | 10,382                 | (1)                     | 7,084                  |
| Dirham                            | 1                       | 14,405                 | 1                       | 9,176                  |
|                                   | (1)                     | (14,405)               | (1)                     | (9,176)                |

  

| Separate financial statements |                         |                        |                         |                        |
|-------------------------------|-------------------------|------------------------|-------------------------|------------------------|
| Currency                      | 2021                    |                        | 2020                    |                        |
|                               | Increase/<br>(decrease) | Effect on profit       | Increase/<br>(decrease) | Effect on profit       |
|                               |                         | before tax             |                         | before tax             |
|                               |                         | increase<br>(decrease) |                         | increase<br>(decrease) |
|                               | (%)                     | (Thousand<br>Baht)     | (%)                     | (Thousand<br>Baht)     |
| Baht                          | 1                       | (58,927)               | 1                       | (16,774)               |
|                               | (1)                     | 58,927                 | (1)                     | 16,774                 |
| US dollar                     | 1                       | (12,728)               | 1                       | (5,351)                |
|                               | (1)                     | 12,728                 | (1)                     | 5,351                  |
| Yen                           | 1                       | (10,382)               | 1                       | (7,084)                |
|                               | (1)                     | 10,382                 | (1)                     | 7,084                  |

The above analysis has been prepared assuming that the amounts of the floating rate loans to and loans from and all other variables remain constant over one year. Moreover, the floating legs of these loans to and loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

## Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. Approximately 35% of the Group's debt will mature in less than one year at 31 December 2021 (2020: 32%) (the Company only: 30%, 2020: 28%) based on the carrying value of borrowings reflected in the financial statements. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows

(Unit: Thousand Baht)

|                                   | Consolidated financial statement |                   |                      |                   |
|-----------------------------------|----------------------------------|-------------------|----------------------|-------------------|
|                                   | 31 December 2021                 |                   |                      |                   |
|                                   | Less than<br>1 years             | 1 to 5 years      | More than<br>5 years | Total             |
| <b>Non-derivatives</b>            |                                  |                   |                      |                   |
| Bank overdraft and short-term     |                                  |                   |                      |                   |
| loans from financial institutions | 1,964,298                        | -                 | -                    | 1,964,298         |
| Trade and other payables          | 2,669,310                        | -                 | -                    | 2,669,310         |
| Long-term loans                   | 2,075,902                        | 7,094,068         | 1,383,812            | 10,553,782        |
| Debentures                        | 1,000,000                        | 2,100,000         | -                    | 3,100,000         |
| Lease liabilities                 | 1,659,317                        | 3,468,905         | 3,359,088            | 8,487,310         |
| <b>Total non-derivatives</b>      | <b>9,368,827</b>                 | <b>12,662,973</b> | <b>4,742,900</b>     | <b>26,774,700</b> |

(Unit: Thousand Baht)

|                                   | Consolidated financial statement |                   |                      |                   |
|-----------------------------------|----------------------------------|-------------------|----------------------|-------------------|
|                                   | 31 December 2020                 |                   |                      |                   |
|                                   | Less than<br>1 years             | 1 to 5 years      | More than<br>5 years | Total             |
| <b>Non-derivatives</b>            |                                  |                   |                      |                   |
| Bank overdraft and short-term     |                                  |                   |                      |                   |
| loans from financial institutions | 1,725,072                        | -                 | -                    | 1,725,072         |
| Trade and other payables          | 1,872,976                        | -                 | -                    | 1,872,976         |
| Long-term loans                   | 987,277                          | 3,576,252         | 1,011,150            | 5,574,679         |
| Debentures                        | 980,000                          | 2,600,000         | 500,000              | 4,080,000         |
| Lease liabilities                 | 2,097,106                        | 5,384,056         | 3,413,237            | 10,894,399        |
| <b>Total non-derivatives</b>      | <b>7,662,431</b>                 | <b>11,560,308</b> | <b>4,924,387</b>     | <b>24,147,126</b> |

(Unit: Thousand Baht)

| Separate financial statement      |                      |                  |                      |                   |
|-----------------------------------|----------------------|------------------|----------------------|-------------------|
| 31 December 2021                  |                      |                  |                      |                   |
|                                   | Less than<br>1 years | 1 to 5 years     | More than<br>5 years | Total             |
| <b>Non-derivatives</b>            |                      |                  |                      |                   |
| Bank overdraft and short-term     |                      |                  |                      |                   |
| loans from financial institutions | 1,463,000            | -                | -                    | 1,463,000         |
| Trade and other payables          | 265,205              | -                | -                    | 265,205           |
| Long-term loans                   | 1,689,684            | 6,255,466        | 1,314,404            | 9,259,554         |
| Debentures                        | 1,000,000            | 2,100,000        | -                    | 3,100,000         |
| Lease liabilities                 | 163,125              | 728,370          | 218,171              | 1,109,666         |
| <b>Total non-derivatives</b>      | <b>4,581,014</b>     | <b>9,083,836</b> | <b>1,532,575</b>     | <b>15,197,425</b> |

(Unit: Thousand Baht)

| Separate financial statement      |                      |                  |                      |                   |
|-----------------------------------|----------------------|------------------|----------------------|-------------------|
| 31 December 2020                  |                      |                  |                      |                   |
|                                   | Less than<br>1 years | 1 to 5 years     | More than<br>5 years | Total             |
| <b>Non-derivatives</b>            |                      |                  |                      |                   |
| Bank overdraft and short-term     |                      |                  |                      |                   |
| loans from financial institutions | 995,229              | -                | -                    | 995,229           |
| Trade and other payables          | 236,930              | -                | -                    | 236,930           |
| Long-term loans                   | 700,000              | 2,709,791        | 902,048              | 4,311,839         |
| Debentures                        | 980,000              | 2,600,000        | 500,000              | 4,080,000         |
| Lease liabilities                 | 155,503              | 693,253          | 416,471              | 1,265,227         |
| <b>Total non-derivatives</b>      | <b>3,067,662</b>     | <b>6,003,044</b> | <b>1,818,519</b>     | <b>10,889,225</b> |

#### 44.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

#### **45. 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 2021, the Group's debt-to-equity ratio was 1.64:1 (2020: 2.46:1) and the Company's was 2.47:1 (2020: 2.31:1).

#### **46. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.