

Central Plaza Hotel Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 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 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. In addition, the second wave of COVID-19 outbreak situation in Thailand that began in December 2020 caused the Group to again temporarily suspend many local hotel operations of the Group starting from January 2021. In addition, the third wave of COVID-19 outbreak occur again during end of March 2021 to present. 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.

1.3 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.4 Basis of consolidation

These interim consolidated financial statements include the financial statements of Central Plaza Hotel Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020. There have been changes in the structure of the subsidiaries during the period as discussed in Note 6 to the interim financial statements.

1.5 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, 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 three-month and nine-month period ended 30 September 2021, amounting to Baht 104.67 million and Baht 195.26 million, respectively. 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.

1.6 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020 except the changes in accounting policies related to property, plant and equipment.

1.6.1 Property, plant and equipment

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.

1.7 Change in accounting policy for land from cost method to revaluation method

During the current period, 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.

(Unaudited but reviewed)

This change affects to the statements of financial position as at 30 September 2021 and the statement of comprehensive income for the nine-month periods then ended as follow:

	(Unit: Thousand Baht)	
	30 September 2021	
	Consolidated financial statements	Separate financial statements
Statement of financial position:		
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 nine-month periods ended 30 September 2021	
	Consolidated financial statements	Separate financial statements
Statement of comprehensive income:		
Other comprehensive income:		
Increase in gain on revaluation of land (net of income tax)	9,610,263	2,748,650

2. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Rental income	-	-	733	733	Contractually agreed prices
Interest income	-	-	62,061	40,792	Bank interest rate
Management fee income	-	-	16,250	25,250	Contractually agreed prices
Income from loan guarantee	-	-	1,961	2,152	Contractually agreed prices
Interest expense	-	-	1,453	1,382	Bank interest rate
Other expenses	-	-	1,434	1,444	Agreed prices
Rental expense	-	-	1,830	1,830	Contractually agreed prices
Management fee expense	-	-	1,999	9,695	Contractually agreed prices
<u>Transactions with associated company</u>					
Rental income	25,290	25,220	12,687	12,652	Contractually agreed prices
Dividend income	6,650	6,528	6,650	6,528	Dividend announcement
Rental expense	45,886	45,886	-	-	Contractually agreed prices
<u>Transactions with joint venture</u>					
Interest income	26,866	18,988	-	-	Contractually agreed prices
<u>Transactions with related companies</u>					
Rental income	3,569	3,569	-	-	Contractually agreed prices
Management fee income	257	1,200	-	-	Contractually agreed prices
Other income	36	2,179	-	-	Agreed prices
Rental expense	133,627	158,489	39,698	38,126	Contractually agreed prices
Electricity expense	5,082	7,266	5,082	7,266	Contractually agreed prices
Management fee expense	9,104	8,792	4,221	4,020	Contractually agreed prices
Finance and accounting service expense	9,099	8,603	-	-	Contractually agreed prices
Other service fees	3	-	-	-	Agreed prices

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Rental income	-	-	2,198	2,198	Contractually agreed prices
Interest income	-	-	165,913	101,252	Bank interest rate
Management fee income	-	-	48,750	48,750	Contractually agreed prices
Income from loan guarantee	-	-	5,345	4,737	Contractually agreed prices
Dividend income	-	-	42,619	47,324	Dividend announcement
Interest expense	-	-	5,725	9,732	Bank interest rate
Other expenses	-	-	4,350	4,320	Agreed prices
Rental expense	-	-	5,492	5,492	Contractually agreed prices
Management fee expense	-	-	8,908	34,556	Contractually agreed prices
<u>Transactions with associated company</u>					
Rental income	75,044	75,113	37,647	37,681	Contractually agreed prices
Dividend income	19,982	19,990	19,982	19,990	Dividend announcement
Rental expense	137,659	137,659	-	-	Contractually agreed prices
<u>Transactions with joint venture</u>					
Interest income	66,536	52,683	-	-	Contractually agreed prices
<u>Transactions with related companies</u>					
Rental income	10,709	10,709	-	-	Contractually agreed prices
Management fee income	1,186	4,070	-	-	Contractually agreed prices
Other income	358	7,555	-	-	Agreed prices
Rental expense	454,200	471,973	121,200	113,893	Contractually agreed prices
Electricity expense	12,898	17,518	12,898	17,518	Contractually agreed prices
Management fee expense	27,313	26,377	12,664	12,061	Contractually agreed prices
Finance and accounting service expense	27,296	25,809	-	-	Contractually agreed prices
Other service fees	8	34	-	-	Agreed prices

The balances of the accounts as at 30 September 2021 and 31 December 2020 between the Company, its subsidiaries and those related parties are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Trade and other receivables - related parties (Note 4)				
Subsidiaries	-	-	57,466	39,862
Related companies (related by common directors)	17,368	17,416	7,523	6,189
Total trade and other receivables - related parties	<u>17,368</u>	<u>17,416</u>	<u>64,989</u>	<u>46,051</u>
Trade and other payables - related parties (Note 12)				
Subsidiaries	-	-	4,099	11,546
Related companies (related by common directors)	17,568	9,363	-	-
Total trade and other payables - related parties	<u>17,568</u>	<u>9,363</u>	<u>4,099</u>	<u>11,546</u>

Loans to related parties

As at 30 September 2021 and 31 December 2020, the balance of short-term and long-term loans to related parties are as follows:

Loans to related parties	Interest rate		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	(Percent per annum)					
Short-term loans						
Subsidiaries	-	3.0	-	-	-	33,200
Joint venture	2.0	-	15,300	-	-	-
Long-term loans						
Subsidiaries	3.0	3.0	-	-	7,346,435	5,117,783
Total			<u>15,300</u>	<u>-</u>	<u>7,346,435</u>	<u>5,150,983</u>

Movements during the nine-month periods ended 30 September 2021 and 2020 of loans 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>
Short-term loans to related parties				
Subsidiaries/joint venture				
As at 1 January	-	-	33,200	-
Increase	15,300	-	-	-
Decrease	-	-	(33,200)	-
As at 30 September	<u>15,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long-term loans to related parties				
Subsidiaries				
As at 1 January	-	-	6,064,865	3,221,224
Increase	-	-	4,924,651	5,076,341
Decrease	-	-	(2,653,098)	(2,562,674)
Total	-	-	8,336,418	5,734,891
Less: Allowance for expected credit losses	-	-	(989,983)	(771,206)
As at 30 September	-	-	7,346,435	4,963,685

Short-term loans to joint venture

During the period, 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 30 September 2021 and 31 December 2020, the balance of short-term and long-term loans from related individuals/parties are as follows:

(Unit: Thousand Baht)

Loans from						
related			Consolidated		Separate	
individuals/parties	Interest rate		financial statements		financial statements	
	30 September	31 December	30 September	31 December	30 September	31 December
	2021	2020	2021	2020	2021	2020
	(Percent per annum)					
Short-term loans						
Subsidiaries	2.0 - 3.0	1.57 - 3.0	-	-	173,409	376,520
Related individual	2.0	-	5,250	-	-	-
Long-term loans						
Related individuals	3.0	3.0	52,329	52,329	-	-
Total			57,579	52,329	173,409	376,520

Movements during the nine-month periods ended 30 September 2021 and 2020 of loans from related individuals/parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term loans				
Subsidiaries/related individual				
As at 1 January	-	-	376,520	520,180
Increase	5,250	-	454,855	1,391,344
Decrease	-	-	(657,966)	(1,329,484)
As at 30 September	<u>5,250</u>	<u>-</u>	<u>173,409</u>	<u>582,040</u>
Long-term loans				
Related individuals				
As at 1 January	52,329	52,329	-	-
As at 30 September	<u>52,329</u>	<u>52,329</u>	<u>-</u>	<u>-</u>

Short-term loans from related individuals

During the period, 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 individuals

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 and the loss of a controlling interest in the borrower by the parent company of the borrower.

Financial liabilities from long-term leases

Movements during the nine-month periods ended 30 September 2021 and 2020 of financial liabilities from long-term leases were as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<i>Financial liabilities from long-term leases</i>				
Associated				
As at 1 January	1,847,072	1,879,669	-	-
Decrease	(32,438)	(23,339)	-	-
	1,814,634	1,856,330	-	-
Less: portion due within one year	(46,083)	(41,696)	-	-
As at 30 September	1,768,551	1,814,634	-	-

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 financial statements.

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 26th year from the first year of the lease period and both parties negotiate and finalise the details for renewal of lease agreement within the 27th year from the first year of the lease period.

- 3) CSBR entered into the agreement for sale of furniture and equipment installed/used within Centara Grand Beach Resort Samui Hotel with CTARAF, under which CTARAF agreed to pay for rights transferring of the said furniture and equipment in the amount of Baht 80 million (including VAT) by making a full payment on the day that the rights are transferred (26 September 2008).
- 4) CTARAF entered into the sublease agreement of Centara Grand Beach Resort Samui Hotel with Central Samui Hotel Management Co., Ltd. ("CSHM") for lease the land, building and utility facility and relating equipment, and furniture and equipment to CSHM to use in operating the hotel business. The lease term 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 4th 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 annually with a 5 percent increase of service fee every year.

On 1 July 2016, the Company entered into a management fee agreement with Centara International Management Co., Ltd. The agreement would continue to be in full force and effect until either party terminates the agreement or ceases its business operation. The management fee was payable on a monthly basis, and the Company was to receive the fee at the rate specified in the agreement. However, on 31 December 2019, the Company notified the counterparty of the termination of the agreement. Thus, this agreement was terminated on such date.

On 1 January 2017, the Company entered into management fee agreements with Centara International Management (Thailand) Co., Ltd. and Centara Management Headquarter Limited. The agreements would continue to be in full force and effect until either party terminates the agreements or ceases its business operation. The management fee is payable on a monthly basis, and the Company is to receive the fees at the rates specified in the agreements. Subsequently, on 31 December 2019, the Company notified Centara International Management (Thailand) Co., Ltd. to terminate the agreement. Thus, the agreement with Centara International Management (Thailand) Co., Ltd. was terminated on such date.

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.

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 30 September 2021, the balance of deferred income was Baht 44.0 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 a 5 percent increase of service fee every year.

On 1 January 2015, Central Restaurants Group Co., Ltd. ("CRG") entered into legal consultant service agreement with Harng Central Department Store Co., Ltd. in order to receive consultation, explanation and advice of legal matters especially for laws related to its business. The service fee is agreed to pay at Baht 73,000 per month. The agreement 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. CRG agrees to pay service fee based on specified in the agreement with a 5.7 percent increase of service fee every year.

On 1 August 2017, Central Restaurants Group Co., Ltd. ("CRG") entered into human resources management service agreement with Harng Central Department Store Co., Ltd. in order to receive human resources management service to enhance efficiency and support the growth of business. 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 three-month and nine-month periods ended 30 September 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			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	20	20	62	61
Post-employment benefits	1	1	1	3
Total	<u>21</u>	<u>21</u>	<u>63</u>	<u>64</u>

3. Other current financial assets

As at 30 September 2021 and 31 December 2020, other current financial assets consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 September 2021	31 December 2020
Fixed deposits with maturity within 1 year	<u>501,767</u>	<u>90,111</u>
Total	<u>501,767</u>	<u>90,111</u>

As at 30 September 2021, fixed deposits carried interest at 0.63 and 1.75 percent per annum (31 December 2020: 1.75 percent per annum).

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
<u>Trade accounts receivable -</u>				
<u>unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	39,770	31,200	3,719	7,456
Past due				
Not over 3 months	14,967	20,224	5,966	4,304
3 - 6 months	2,027	8,404	-	807
6 - 12 months	-	24,069	-	455
Over 12 months	14,192	21,274	5,721	5,791
Total trade accounts receivable -				
unrelated parties	70,956	105,171	15,406	18,813
Less: Allowance for expected				
credit losses	(18,972)	(17,180)	(4,218)	(4,147)
Total trade account receivable -				
unrelated parties, net	51,984	87,991	11,188	14,666
Total trade accounts receivable -				
net	51,984	87,991	11,188	14,666
<u>Other receivables</u>				
Other receivables - related parties	17,368	17,416	64,989	46,051
Other receivables - unrelated				
parties	562,607	425,567	38,474	24,155
Prepaid expense	78,404	50,516	18,551	13,972
Prepayment for purchase of goods	9,542	10,148	-	-
Total other receivables	667,921	503,647	122,014	84,178
Less: Allowance for expected				
credit losses	(83,400)	(77,273)	(23,138)	(19,038)
Total other receivables - net	584,521	426,374	98,876	65,140
Total trade and other receivables	636,505	514,365	110,064	79,806

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

5. Investment in an associate

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
As at 1 January	513,195	524,125	507,211	518,139
Share of profit of investment in an associate	22,053	22,589	-	-
Unit redeemed	(11,434)	(10,948)	(11,434)	(10,948)
Dividend income	(19,982)	(19,990)	-	-
As at 30 September	<u>503,832</u>	<u>515,776</u>	<u>495,777</u>	<u>507,191</u>

There were no acquisition and disposal of investment in an associate during the nine-month periods ended 30 September 2021 and 2020.

(Unaudited but reviewed)

Investment in an associate as at 30 September 2021 and 31 December 2020, and dividend income for the nine-month periods ended 30 September 2021 and 2020 were as follows:

(Unit: Thousand Baht)												
Company's name	Natures of business	Country of incorporation	Consolidated financial statements									
											Dividend received during	
			Shareholding percentage		Paid-up capital		Cost		Carrying amounts based on equity method		the nine-month periods ended	
			30	31	30	31	30	31	30	31	30	30
			September	December	September	December	September	December	September	December	September	September
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(Percent)	(Percent)								
Centara Hotels & Resorts Leasehold Property Fund	Property fund	Thai	25.3	25.3	2,875,392	2,920,512	727,841	739,275	503,832	513,195	19,982	19,990
Total							727,841	739,275	503,832	513,195	19,982	19,990

As at 30 September 2021, the closing price of Centara Hotels & Resorts Leasehold Property Fund was Baht 5.10 (31 December 2020: Baht 5.05). The fair value of investment in Centara Hotels & Resorts Leasehold Property Fund was Baht 414 million (31 December 2020: Baht 410 million).

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Natures of business	Country of incorporation	Separate financial statements											
			Shareholding percentage		Paid-up capital		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net		Dividend received during the nine-month periods ended	
			30	31	30	31	30	31	30	31	30	31	30	30
			September	December	September	December	September	December	September	December	September	December	September	September
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(Percent)	(Percent)										
Centara Hotels & Resorts Leasehold Property Fund	Property fund	Thai	25.3	25.3	2,875,392	2,920,512	727,841	739,275	(232,064)	(232,064)	495,777	507,211	19,982	19,990
Total							<u>727,841</u>	<u>739,275</u>	<u>(232,064)</u>	<u>(232,064)</u>	<u>495,777</u>	<u>507,211</u>	<u>19,982</u>	<u>19,990</u>

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

6. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		Dividend received during the nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(Percent)	(Percent)								
Direct subsidiaries												
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.	250,000	250,000	100	100	250,000	250,000	-	-	250,000	250,000	-	-
Central Restaurants Group Co., Ltd.	620,000	620,000	100	100	669,607	669,607	-	-	669,607	669,607	42,619	-
Triplenine 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)	-	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		Dividend received during the nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(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	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		Dividend received during the nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(Percent)	(Percent)								
Indirect subsidiaries												
Central Sukhontha Hotel Co., Ltd.	145,000	145,000	100	100	-	-	-	-	-	-	-	-
Central Samui Village Co., Ltd.	55,000	55,000	100	100	-	-	-	-	-	-	-	-
Central Mae Sot Hill Hotel Co., Ltd.	190,000	190,000	98.4	98.4	-	-	-	-	-	-	-	-
CRG Manufacturing Co., Ltd.	160,000	160,000	100	100	-	-	-	-	-	-	-	-
Central Laundry Services Co., Ltd.	1,500	1,500	100	100	-	-	-	-	-	-	-	-
CRG International Food Co., Ltd.	179,760	179,760	100	100	-	-	-	-	-	-	-	-
S.P. Realty Lanta Beach Co., Ltd.	36,000	36,000	100	100	-	-	-	-	-	-	-	-
Centara Maldives Pvt. Ltd.	797,223	797,223	75	75	-	-	-	-	-	-	-	-
R.M.L. Leisure Pvt. Ltd.	483,886	483,886	74	74	-	-	-	-	-	-	-	-
Centara (Shanghai) Hotel Management Co., Ltd.	65,696	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	1,013,020	982,570	100	100	-	-	-	-	-	-	-	-
Centara Lagoon Private Limited	-	-	100	100	-	-	-	-	-	-	-	-
Centara Japan Capital Godo Kaisha	29,568	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					6,532,332	6,233,582	(688,000)	(161,250)	5,844,332	6,072,332	42,619	47,324

6.1 Changes in investments in subsidiaries held by the Group

6.1.1 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 30 September 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 30 September 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.

6.1.2 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.

6.2 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 (revised 2019) "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 Dessert Company 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 reported	Effect of the restatement	As restated
Consolidated statement of financial position as at 31 December 2020			
Assets			
Goodwill	314,602	21,426	336,028
Unallocated costs of business 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
Liabilities and shareholders' equity			
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.

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

	(Unit: Thousand Baht)
	STN Restaurant Company Limited
Cash and cash equivalents	21,417
Inventories	1,350
Other current assets	15,318
Equipment	36,186
Intangible assets	181,297
Short-term loans from related parties	(5,250)
Other current liabilities	(15,318)
Net assets	235,000
Non-controlling interests	(35,250)
Share of net fair value of the assets	199,750

(Unaudited but reviewed)

Net cash outflows from the acquisition of STN Restaurant Company Limited were presented below.

	(Unit: Thousand Baht)
Cash used in acquisition	199,750
Less: Cash and cash equivalents of subsidiary	(21,417)
Net cash outflows from acquisition of investment in a subsidiary	<u>178,333</u>

At present, CRG is in the process of assessing the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition to such identifiable items. The assessment process mainly involves to the identification and valuation of intangible assets and certain tangible assets. It is to be completed within the period of twelve months from the acquisition date allowed under Thai Financial Reporting Standard No. 3 (revised 2019). During the measurement period, CRG will retrospectively adjust provisional amounts recognised at the acquisition date, recognise additional assets or liabilities and adjust earnings to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

7. Investments in joint ventures

7.1 Details of investments in joint ventures

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

(Unit: Thousand Baht)

		Consolidated financial statements							
Joint venture	Natures of business	Shareholding percentage		Carrying amounts of investment based on equity method		Long-term loans		Total	
		30	31	30	31	30	31	30	31
		September 2021	December 2020	September 2021	December 2020	September 2021	December 2020	September 2021	December 2020
		(Percent)	(Percent)						
Nakheel CT Deira Islands Hotel-FZCO	Hotel	40	40	(1,900)	(315)	1,718,712	1,175,634	1,716,812	1,175,319
Green Food Factory Co., Ltd.	Food and beverage	51	51	127,862	135,373	-	-	127,862	135,373
Centara Osaka Tokutei Mokutei Kaisha	Hotel	51	51	852,453	893,545	-	-	852,453	893,545
ORC COFFEE PASSION GROUP JOINT STOCK COMPANY	Food and beverage	40	40	27,603	25,454	-	-	27,603	25,454
Total				1,006,018	1,054,057	1,718,712	1,175,634	2,724,730	2,229,691

7.1.1 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.

7.1.2 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.

7.1.3 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 558.7 million, accounting for 51 percent of the issued and paid-up capital.

7.1.4 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 28.5 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. Thus, as at 30 September 2021, the subsidiary's shareholding was 40 percent of issued and paid-up capital, totalling VND 32,209.8 million equivalent to Baht 41.3 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.

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 nine-month periods ended 30 September 2021 and 2020 of loans to joint venture were as follows:

	Interest rate		(Unit: Thousand Baht) Consolidate financial statement	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Percent)	(Percent)		
As at 1 January			1,175,634	777,893
Addition	5.3 - 7.9	5.5 - 7.1	369,370	402,366
Effect on exchange rate			173,708	32,922
As at 30 September			<u>1,718,712</u>	<u>1,213,181</u>

7.2 Share of comprehensive income

During the periods, the Company recognised its share of comprehensive income from investments in the joint ventures in the consolidated financial statements as follows:

	(Unit: Thousand Baht) Consolidated financial statements	
	Share of profit (loss) from investments in joint ventures during nine-month periods ended 30 September	
	<u>2021</u>	<u>2020</u>
Nakheel CT Deira Islands Hotel- FZCO	(1,585)	(2,006)
Green Food Factory Co., Ltd.	(7,511)	1,052
Centara Osaka Tokutei Mokuteki Kaisha	(41,092)	(29,772)
ORC COFFEE PASSION GROUP JOINT STOCK COMPANY	(10,644)	(2,310)
Total	<u>(60,832)</u>	<u>(33,036)</u>

8. Investment properties, property, plant and equipment and other intangible assets

During the nine-month period ended 30 September 2021, property, plant and equipment and other intangible assets of the Group was increased at a total cost of Baht 13,665 million, mostly from renovation and construction of hotel and branch expansion of food business.

According to sublease agreement of Centara Grand at Central Plaza Ladprao 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.

In accordance with the lease agreement for building, convention center and hotel at The Government Complex Commemorating His Majesty The King's 80th Birthday Anniversary, 5th December, B.E. 2550 (the "Project") made with Dhanarak Asset Development Co., Ltd. ("DAD"), the ownership of any assets or building construction arising from the maintenance, restoration, development of building construction, the Project area and the Project assets are to be transferred to DAD as soon as the said construction, development, replacement, use, and modification are completed.

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 30 September 2021, the net book value of assets under sub-lease land agreement was Baht 1,631 million (31 December 2020: Baht 1,733 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.

As at 30 September 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.

(Unaudited but reviewed)

During the current period, 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 30 September 2021 would have been as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Land	2,336,172	774,987

9. Right-of-use assets

Movements in the right of use assets account during the nine-month period ended 30 September 2021 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	8,642,541	1,245,308
Increase	96,519	-
Decrease	(166,262)	-
Lease modification	(34,779)	-
Depreciation for the period	(1,335,244)	(89,405)
Effect of movements in exchange rates	195,662	-
Net book value as at 30 September 2021	7,398,437	1,155,903

10. Goodwill

Goodwill arising from the acquisition of Central Restaurants Group Co., Ltd. and indirect interest in CRG International Food Co., Ltd. and Brown Dessert Co., Ltd. are Baht 115 million, Baht 199 million and Baht 22 million, respectively. The Group has reviewed for impairment of goodwill annually.

11. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Bank overdrafts	16,959	8,446	-	-
Short-term loans from financial institutions	1,368,835	1,716,626	860,000	995,229
Total bank overdrafts and short-term loans from financial institutions	1,385,794	1,725,072	860,000	995,229

Movements in bank overdrafts and short-term loans from financial institution during the nine-month period ended 30 September 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	1,725,072	995,229
Add: Additional loan withdrew during the period	1,120,803	860,000
Amortisation of transaction costs during the period	4,771	4,771
Less: Repayment during the period	(1,516,684)	(1,000,000)
Effect of movements in exchange rates	51,832	-
Balance as at 30 September 2021	1,385,794	860,000

As at 30 September 2021, the Group has unused credit facilities for bank overdrafts and short-term loans totalling Baht 1,915 million (Separate financial statements: Baht 1,215 million) (31 December 2020: Baht 2,428 million (Separate financial statements: Baht 1,181 million)).

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. The Company had fully paid such loan.

From August to September 2021, the Company entered into the loan agreements by issuing short-term promissory notes to three local financial institutions amounting to Baht 860 million. The short-term promissory notes carry interest at the rate specified in the promissory notes with the maturity period between February 2022 and March 2022. As at 30 September 2021, the outstanding balance of the aforesaid promissory notes is Baht 860 million.

Short-term loan of a subsidiary

During April to September 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 October 2021 and March 2022. As at 30 September 2021, the outstanding balance of the aforesaid promissory notes are USD 15.0 million as equivalent of Baht 508.8 million (31 December 2020: USD 10.7 million as equivalent of Baht 321.4 million).

12. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Trade payables - other parties	448,673	644,118	16,082	37,960
Amounts due to related parties	17,568	9,363	4,099	11,546
Other payables	58,460	72,168	28,799	28,625
Payables for purchase of buildings and equipment	147,418	146,749	629	1,820
Guest deposits	221,100	253,687	77,327	73,392
Accrued expenses	1,296,930	695,437	43,381	43,048
Interest payable	41,434	51,454	23,214	40,539
Total trade and other payables	2,231,583	1,872,976	193,531	236,930

13. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Long-term loans	10,103,772	5,574,679	8,702,021	4,311,839
Less: Portion due within one year	(1,214,797)	(987,277)	(822,791)	(700,000)
Long-term loans - net of current portion	8,888,975	4,587,402	7,879,230	3,611,839

Movements in the long-term loans from financial institution during the nine-month period ended 30 September 2021 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 as at 1 January	5,574,679	2,233,922	4,311,839	1,291,451
Add: Additional loan withdrew during the period	4,477,410	2,624,717	4,253,364	2,419,950
Amortisation of transaction costs during the period	2,089	508	2,089	508
Less: Repayment during the period	(148,810)	(76,232)	-	-
Transaction costs during the period	(7,750)	(12,845)	(7,750)	(12,845)
Effect of movements in exchange rates	206,154	68,368	142,479	36,968
Balance as at 30 September	10,103,772	4,838,438	8,702,021	3,736,032

The borrowings include secured liabilities in the total amount of Baht 772 million (31 December 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 have to maintain financial ratios and terms and conditions as stated in the loan agreements.

As at 30 September 2021, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 2,376 million (Separate financial statements: Baht 2,372 million) (31 December 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 30 September 2021, the stated loan was drawn down in the total amount of USD 50.8 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 30 September 2021, the outstanding balance of the aforesaid loan is USD 31 million as equivalent of Baht 1,071.5 million (31 December 2020: USD 19.0 million as equivalent of Baht 574.9 million).
- b) In June 2017, the Company entered into a loan agreement with a local financial institution for a loan of Baht 400.0 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. Subsequently, in June 2020, the Company entered into an amendment agreement to change the maturity date to 31 December 2020. The Company had fully paid such loan.
- c) 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 30 September 2021, the outstanding balance of the aforesaid loan is Baht 700.0 million (31 December 2020: Baht 700.0 million).
- d) 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 stated loan was drawn down in 2020 in the amount of JPY 3,099.95 million. 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 30 September 2021, the outstanding balance of the aforesaid loan net of transaction cost is JPY 3,066.7 million as equivalent of Baht 942.2 million (31 December 2020: JPY 3,061.7 million as equivalent of Baht 902.3 million).

- e) 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 30 September 2021, the outstanding balance of the aforesaid loan is Baht 2,500.0 million (31 December 2020: Baht 2,000.0 million).
- f) 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 30 September 2021, the outstanding balance of the aforesaid loan net of transaction cost is Baht 998.6 million.
- g) 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 30 September 2021, the outstanding balance of the aforesaid loan net of transaction cost is Baht 1,497.2 million (31 December 2020: Baht 136.1 million).
- h) 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 totaling Baht 1,000.0 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 30 September 2021, the outstanding balance of the aforesaid loan net of transaction cost is Baht 992.5 million.

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 30 September 2021, the outstanding loans amounted to USD 9.8 million as equivalent of Baht 332.4 million and USD 5.2 million as equivalent of Baht 176.4 million, respectively (31 December 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 2022. 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 30 September 2021, the subsidiary had fully paid such loan (31 December 2020: USD 3.6 million as equivalent of Baht 108.1 million).
- 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 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 30 September 2021, the outstanding balances of the loans amounted to Baht 6.0 million and Baht 256.9 million respectively (31 December 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 27th 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 30 September 2021, the outstanding balance of the loan is Baht 630.0 million (31 December 2020: Baht 406.0 million).

14. Debentures

	Interest rate (Percent)	Maturity date	(Unit: Thousand Baht) Consolidated and separate financial statements	
			30 September 2021	31 December 2020
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			2,100,000	3,100,000

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.

15. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Interim corporate income tax charge	(1,429)	(13,783)	-	-
Adjustment in respect of current income tax	-	(6,548)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	13,550	(46,867)	3,600	(11,067)
Income tax income reported in the income statements	12,121	(67,198)	3,600	(11,067)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Interim corporate income tax charge	507	3,911	-	-
Adjustment in respect of current income tax	2,375	(6,548)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,913)	(89,710)	(5,500)	(66,012)
Income tax income reported in the income statements	(4,031)	(92,347)	(5,500)	(66,012)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to investments in equity designated at fair value through other comprehensive income	(6)	2	-	-
Deferred tax relating to revaluation surplus on assets	(2,402,566)	-	(687,163)	-

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to investments in equity designated at fair value through other comprehensive income	(24)	74	-	-
Deferred tax relating to revaluation surplus on assets	(2,402,566)	-	(687,163)	-

16. Loss per share

Basic loss per share is calculated by dividing loss for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

17. Operating segment information

The Group is organised into business segments. 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's operating segments for the three-month and nine-month periods ended 30 September 2021 and 2020, respectively.

(Unit: Million Baht)

	For the three-month periods ended 30 September									
	Hotel and related services operation		Food and ice-cream operation		Total		Adjustments and eliminations		Consolidated	
	<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>
Sales and services income										
- Third parties	366	430	1,941	2,564	2,307	2,994	-	-	2,307	2,994
- Related parties	1	1	8	17	9	18	(9)	(18)	-	-
Total sales and services income	367	431	1,949	2,581	2,316	3,012	(9)	(18)	2,307	2,994
Cost of sales and services	(544)	(707)	(1,211)	(1,495)	(1,755)	(2,202)	(2)	(1)	(1,757)	(2,203)
Gross profit (loss)	(177)	(276)	738	1,086	561	810	(11)	(19)	550	791
Unallocated income (expenses):										
Other income	377	180	73	30	450	210	(333)	(142)	117	68
Selling expenses	(41)	(32)	(90)	(100)	(131)	(132)	7	10	(124)	(122)
Administrative expenses	(695)	(681)	(664)	(1,101)	(1,359)	(1,782)	227	236	(1,132)	(1,546)
Share of profit (loss) from investment in an associate and joint ventures	(9)	(23)	(8)	-	(17)	(23)	-	-	(17)	(23)
Finance cost	(236)	(176)	(55)	(52)	(291)	(228)	77	37	(214)	(191)
Income tax income (expenses)	(4)	20	(8)	47	(12)	67	-	-	(12)	67
Profit (loss) for the period	(785)	(988)	(14)	(90)	(799)	(1,078)	(33)	122	(832)	(956)

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September									
	Hotel and related services operation		Food and ice-cream operation		Total		Adjustments and eliminations		Consolidated	
	<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>
Sales and services income										
- Third parties	1,071	2,215	6,477	7,521	7,548	9,736	-	-	7,548	9,736
- Related parties	1	4	34	47	35	51	(35)	(51)	-	-
Total sales and services income	1,072	2,219	6,511	7,568	7,583	9,787	(35)	(51)	7,548	9,736
Cost of sales and services	(1,670)	(2,327)	(3,746)	(4,280)	(5,416)	(6,607)	(3)	13	(5,419)	(6,594)
Gross profit (loss)	(598)	(108)	2,765	3,288	2,167	3,180	(38)	(38)	2,129	3,142
Unallocated income (expenses):										
Other income	959	768	194	90	1,153	858	(814)	(595)	339	263
Selling expenses	(103)	(124)	(254)	(298)	(357)	(422)	21	44	(336)	(378)
Administrative expenses	(1,867)	(1,987)	(2,504)	(3,092)	(4,371)	(5,079)	878	979	(3,493)	(4,100)
Share of profit (loss) from investment in an associate and joint ventures	(21)	(9)	(18)	(1)	(39)	(10)	-	-	(39)	(10)
Finance cost	(639)	(496)	(111)	(111)	(750)	(607)	199	102	(551)	(505)
Income tax income (expenses)	39	54	(35)	38	4	92	-	-	4	92
Profit (loss) for the period	(2,230)	(1,902)	37	(86)	(2,193)	(1,988)	246	492	(1,947)	(1,496)

18. Commitments and contingent liabilities

18.1 Capital commitments

As at 30 September 2021 and 31 December 2020, the Group and joint ventures had capital commitments as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Hotel construction and renovation	3,288.8	4,157.9	5.6	12.9
Machinery and equipment	21.6	19.9	-	-
Total	3,310.4	4,177.8	5.6	12.9

As at 30 September 2021, the above capital commitment of the Group included the share of capital commitment jointly had with other investors in joint ventures of Baht 2,997.0 million (31 December 2020: Baht 3,085.4 million).

18.2 Guarantees

18.2.1 Bank guarantees

As at 30 September 2021 and 31 December 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	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Guarantees for rental	171	171	59	59
Guarantee electricity use, among others	46	46	8	8
Total	217	217	67	67

18.2.2 Related parties guarantees

The Company

As at 30 September 2021, the Company and a director of the Company provided guarantees to local financial institutions for loans facility of fourth subsidiaries in the amount of Baht 2,493 million (31 December 2020: Baht 3,214 million). As at 30 September 2021, the outstanding balance of these loans are Baht 1,281 million (31 December 2020: Baht 1,578 million).

Subsidiary

As at 30 September 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 (31 December 2020: Baht 60.8 million).

18.3 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.

18.4 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. The subsidiary has assigned its legal consultant to file an answer brief and an objection with the court. In this regard, as at 30 September 2021, the subsidiary did not record for a provision for liabilities arising from litigation in the financial statements.

19. Financial Instrument

19.1 Fair value of financial instrument

Most of the Group's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

19.2 Fair value hierarchy

As at 30 September 2021, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows

(Unit: Million Baht)

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2021	2020	2021	2020	2021	2020	2021	2020
Financial assets measured at fair value								
Investment in equity/investments								
securities - equity instruments	-	-	1	1	-	-	1	1
Land	-	-	14,394	-	-	-	14,394	-
Financial assets disclosure of fair value								
Investment properties	-	-	-	-	1,300	1,300	1,300	1,300

(Unit: Million Baht)

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2021	2020	2021	2020	2021	2020	2021	2020
Financial assets measured at fair value								
Land	-	-	4,211	-	-	-	4,211	-
Financial assets disclosure of fair value								
Investment properties	-	-	-	-	961	980	961	980

During the current period, there were no transfers within the fair value hierarchy.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 November 2021.