

Central Plaza Hotel Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2022

1. General information

Central Plaza Hotel Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and subsequently registered the change of its status to a public limited company under the Public Limited Companies Act, and domiciled in Thailand. The Company’s major shareholders during the financial year were Chirathivat group 62.0% shareholding (2021: 63.3% shareholding). The Group is principally engaged to operate hotel business, hotel management and food and beverage business. The registered office address of the Company is at 1695 Phaholyothin Road, Chatuchak, Bangkok.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Subsidiaries directly held by the Company

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2022</u> Percent	<u>2021</u> Percent
Central Samui Beach Resort Co., Ltd.	Hotel	Thailand	100	100
Central Karon Village Co., Ltd.	Hotel	Thailand	100	100
Central Krabi Bay Resort Co., Ltd.	Hotel	Thailand	100	100
Central Hua Hin Beach Resort Co., Ltd.	Hotel	Thailand	63.9	63.9
Central World Hotel Co., Ltd.	Hotel	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2022</u> Percent	<u>2021</u> Percent
Central Koh Kood Hotel Co., Ltd.	Not operate yet	Thailand	100	100
Central Hotel Management Co., Ltd.	Holding company	Thailand	100	100
Central Restaurants Group Co., Ltd.	Food and beverage	Thailand	100	100
Triplenine Décor Co., Ltd.	Not operate yet	Thailand	100	100
Central Samui Hotel Management Co., Ltd.	Hotel	Thailand	100	100
Centara International Management Co., Ltd.	Holding company and hotel management	Thailand	100	100
S.P. Realty Had Farang Resort Co., Ltd.	Not operate yet	Thailand	100	100
S.P. Realty Pattaya Beach Co., Ltd.	Not operate yet	Thailand	100	100
Refresh Zone Co., Ltd.	Spa	Thailand	100	100
Central Bangkok Convention & Exhibition Co., Ltd.	Not operate yet	Thailand	100	100
Centara International Management (Thailand) Co., Ltd.	Hotel management	Thailand	100	100
Karon Phuket Hotel Co., Ltd.	Hotel	Thailand	99.3	99.3
Cosi Hotel Co., Ltd.	Hotel	Thailand	100	100
Centara Import-Export Co., Ltd.	Import and export	Thailand	100	100
Cosi Hotel Management Co., Ltd.	Not operate yet	Thailand	100	100
Centara Loyalty Marketing Co., Ltd.	Offer privileges for customers	Thailand	100	100
Centara Learning Centre Co., Ltd.	Learning centre	Thailand	100	100
Kata Phuket Hotel Co., Ltd.	Hotel	Thailand	99	99
Centara Management Headquarter Limited	Hotel management	Thailand	100	100
Central South Pattaya Limited	Not operate yet	Thailand	100	100

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2022</u>	<u>2021</u>
			Percent	Percent
<u>Investment through Central Hotel Management Co., Ltd.</u>				
Central Sukhontha Hotel Co., Ltd.	Hotel	Thailand	100	100
Central Mae Sot Hill Hotel Co., Ltd.	Hotel	Thailand	98.4	98.4
Central Laundry Services Co., Ltd.	Not operate yet	Thailand	100	100
<u>Investment through Central Samui Beach Resort Co., Ltd.</u>				
Central Samui Village Co., Ltd.	Hotel	Thailand	100	100
<u>Investment through Central Restaurants Group Co., Ltd.</u>				
CRG Manufacturing Co., Ltd.	Food and beverage	Thailand	100	100
CRG International Food Co., Ltd.	Food and beverage	Thailand	100	100
Central Restaurants Group (HK) Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	100	100
Central Restaurants Group (Vietnam)				
Company Limited	Holding company	Vietnam	100	100
Brown Dessert Company Limited	Food and beverage	Thailand	51	51
STN Restaurant Company Limited	Food and beverage	Thailand	85	85
<u>Investment through Central Krabi Bay Resort Co., Ltd.</u>				
S.P. Realty Lanta Beach Co., Ltd.	Not operate yet	Thailand	100	100
<u>Investment through Centara International Management Co., Ltd.</u>				
Centara Maldives Pvt. Ltd.	Hotel	Maldives	75	75
R.M.L Leisure Pvt. Ltd.	Hotel	Maldives	74	74
Centara (Shanghai) Hotel Management				
Co., Ltd.	Not operate yet	China	100	100
CIM for Hotel Management - Egypt, S.A.E.	Not operate yet	Egypt	100	100
<u>Investment through Centara Management Headquarter Limited</u>				
Centara Capital Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	100	100
Centara Singapore Private Limited				
	Holding company	Singapore	100	100
<u>Investment through Centara Capital Limited</u>				
Lagoon Assets Private Limited	Not operate yet	Maldives	100	100
Centara Lagoon Private Limited	Not operate yet	Maldives	100	100
<u>Investment through Centara Singapore Private Limited</u>				
Centara Japan Capital Godo Kaisha	Holding company	Japan	100	100
Centara Osaka Japan Kabushiki Kaisha	Not operate yet	Japan	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing at the end of reporting period. Revenues and expenses are translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholder’s equity.
 - f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, joint venture and associates under the cost method (less) allowance for impairment loss (if any).

3. New financial reporting standards

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

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 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 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.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

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 2023. 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 management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expenses recognition

Revenues from hotel operations and related services

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

Revenue from management of loyalty programme

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

Revenues from food and beverage

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

Rental income

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

Management fee income

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

Interest income

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

Finance cost

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Inventories

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

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

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

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

4.4 Investments in subsidiaries, joint ventures and associates

- a) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method less allowance for loss on impairment (if any).

4.5 Investment properties

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

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

Buildings and building improvements	15 and 30 years
Equipment	15 years

No depreciation is provided on freehold land.

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

4.6 Property, plant and equipment/ Depreciation

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

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

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

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

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

4.7 Borrowing costs

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

4.8 Intangible assets

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

	<u>Useful lives</u>
Computer software	- 10 years
License agreements	- 10 years
Deferred initial fees	- 10 years
Trademark	- 20 years

4.9 Goodwill

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

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

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

4.10 Leases

The Group as a lessee

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

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

Right-of-use assets

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

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

Land and building

lease agreement

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

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

4.11 Related party transactions

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

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

4.12 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.13 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss. However, in cases where property, plant and equipment were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

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

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

4.15 Provisions

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

4.16 Income tax

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

Current income tax

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

Deferred tax

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

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

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

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

4.17 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets designated at FVOCI (equity instruments)

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

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

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

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

Financial assets at FVTPL

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

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

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

Classification and measurement of financial liabilities

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

Recognition and derecognition of financial instruments

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

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

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

Impairment of financial assets

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

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

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

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

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

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

Offsetting of financial instruments

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

4.18 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

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

Allowance for expected credit losses of loans

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

Goodwill

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

Allowance for impairment of non-financial assets

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

6. Related party transactions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Rental income	-	-	2,930	2,930	Contractually agreed prices
Interest income	-	-	295,963	234,334	Bank interest rate
Management fee income	-	-	65,000	65,000	Contractually agreed prices
Income from loan guarantee	-	-	6,298	7,224	Contractually agreed prices
Dividend income	-	-	127,200	122,619	Dividend announcement
Interest expense	-	-	5,203	6,478	Bank interest rate
Other expenses	-	-	5,688	5,794	Agreed prices
Rental expense	-	-	6,832	7,323	Contractually agreed prices
Management fee expense	-	-	81,950	19,106	Contractually agreed prices
<u>Transactions with an associate</u>					
Rental income	100,333	100,333	50,333	50,333	Contractually agreed prices
Dividend income	6,487	26,591	6,487	26,591	Dividend announcement
Rental expense	183,546	183,546	-	-	Contractually agreed prices
<u>Transactions with joint venture</u>					
Interest income	160,369	93,270	-	-	Contractually agreed prices
<u>Transactions with related companies</u>					
Rental income	14,279	14,279	-	-	Contractually agreed prices
Management fee income	4,559	1,966	-	-	Contractually agreed prices
Other income	648	400	-	-	Agreed prices
Rental expense	771,229	589,559	170,517	161,001	Contractually agreed prices
Electricity expense	33,590	19,067	33,590	19,067	Contractually agreed prices
Management fee expense	37,727	36,417	17,729	16,885	Contractually agreed prices
Finance and accounting service expense	46,803	36,395	3,630	-	Contractually agreed prices
Other service fees	-	10	-	-	Agreed prices

As at 31 December 2022 and 2021, the balances of the accounts between the Company and those related parties were as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	118,368	64,761
Joint ventures	23,470	17,906	40	2,037
Related companies (related by common directors)	105,327	20,223	10,575	7,998
Total trade and other receivables - related parties	<u>128,797</u>	<u>38,129</u>	<u>128,983</u>	<u>74,796</u>
Dividend receivables - related parties				
Subsidiaries	-	-	127,200	80,000
Total dividend receivables - related parties	<u>-</u>	<u>-</u>	<u>127,200</u>	<u>80,000</u>
Trade and other payables - related parties (Note 22)				
Subsidiaries	-	-	87,003	19,593
Related companies (related by common directors)	220,047	6,226	5,257	1
Total trade and other payables - related parties	<u>220,047</u>	<u>6,226</u>	<u>92,260</u>	<u>19,594</u>

Loans to related parties

As at 31 December 2022 and 2021, the balances of loans between the Group and those related companies are as follows:

Loans to related parties	Interest rate		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Percent per annum)					
Short-term loans						
Joint ventures	2.0	2.0	15,300	15,300	-	-
Long-term loans						
Subsidiaries	3.0	3.0	-	-	8,362,462	8,398,750
Total			<u>15,300</u>	<u>15,300</u>	<u>8,362,462</u>	<u>8,398,750</u>

Movements during the year ended 31 December 2022 and 2021 of loan to related parties were as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Loans to related parties				
Subsidiaries/joint ventures				
At 1 January	15,300	-	9,444,533	6,098,065
Increase	-	15,300	4,730,287	6,989,805
Decrease	-	-	(4,758,775)	(3,643,337)
Total	15,300	15,300	9,416,045	9,444,533
Less: Allowance for expected credit losses	-	-	(1,053,583)	(1,045,783)
At 31 December	15,300	15,300	8,362,462	8,398,750

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	-	-	1,045,783	947,083
Provision for expected credit losses	-	-	7,800	98,700
Ending balance	-	-	1,053,583	1,045,783

Short-term loans to joint venture

As at 31 December 2022, a subsidiary has short-term loans totalling of Baht 15.3 million to joint venture in form of promissory notes. The principal and interest are due for repayment at call.

Loans from related parties

As at 31 December 2022 and 2021, the balance of short-term and long-term loans from related individual parties are as follows:

(Unit: Thousand Baht)						
Loans from related parties	Interest rate		Consolidated		Separate	
			financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Percent per annum)					
Short-term loans						
Subsidiaries	0.8	2.0 - 3.0	-	-	300,000	156,513
Related individual	2.0	2.0	8,930	5,250	-	-
Long-term loans						
Subsidiaries	2.0 - 3.0	-	-	-	248,322	-
Related individual	3.0	3.0	61,125	61,125	-	-
Total			70,055	66,375	548,322	156,513

Movements during the years ended 31 December 2022 and 2021 of loans from related parties were as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term loans				
Subsidiaries/related individual				
At 1 January	5,250	-	156,513	376,520
Increase from business acquisition	-	5,250	-	-
Increase	3,680	-	744,941	553,368
Decrease	-	-	(601,454)	(773,375)
At 31 December	<u>8,930</u>	<u>5,250</u>	<u>300,000</u>	<u>156,513</u>
Long-term loans				
Subsidiaries/related individual				
At 1 January	61,125	52,329	-	-
Increase	-	8,796	248,322	-
Less: Portion due within one year	-	(52,329)	-	-
At 31 December	<u>61,125</u>	<u>8,796</u>	<u>248,322</u>	<u>-</u>

Short-term loans from related individual

During the year, a subsidiary entered into short-term loan agreement with a related individual of Baht 3.6 million (2021: Baht 5.3 million). This loan is uncollateralised and due for repayment at call.

As at 31 December 2022, the outstanding balance of the aforesaid loan is Baht 8.9 million (2021: Baht 5.3 million).

Long-term loans from related individual

A subsidiary has long-term loans from related individuals in form of promissory notes and repayable within 31 December 2020. On 1 December 2019, the subsidiary renewed the promissory notes to extend the payment term to be the earlier of 31 December 2022 or the loss of a controlling interest in the borrower by the parent company of the borrower. On 1 November 2022, the subsidiary renewed the promissory note to extend the payment term to be the earlier of 31 December 2025

In 2021, the subsidiary obtained additional loans at Baht 8.8 million from related individuals in form of promissory notes which are repayable within 31 December 2024.

Financial liabilities from long-term leases

Movements during the year ended 31 December 2022 and 2021 of financial liabilities from long-term leases were as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2022	2021
<i>Financial liabilities from long-term leases</i>		
Associated company		
As at 1 January	1,817,849	1,847,072
Decrease	(46,904)	(29,223)
	1,770,945	1,817,849
Less: portion due within one year	(64,816)	(61,387)
As at 31 December	1,706,129	1,756,462

Significant agreements with related parties

Long-term lease agreements

The Company

Centara Grand at Central Plaza Ladprao Bangkok

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

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

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

In 2009, the Company entered into a sublease agreement with CID ("sublessor") for the subleasing of Centara Grand at Central Plaza Ladprao Bangkok Hotel's building and hotel building improvements including durable goods for a period of 20 years. The lease will expire on 18 December 2028. The Company was required to pay the sublessor of Baht 2,556 million for the subleasing right and annual rent for the whole lease term. In addition, the Company was required to pay durable goods rental fee totalling Baht 31 million for the whole lease term. The Company recorded durable goods rental fee as asset under finance lease. The Company presented the said sublease and rental expense as right-of-use assets in consolidated and separate statement of financial position.

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

The Subsidiaries

Centara Grand Beach Resort Samui Project

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

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

- 1) Central Samui Beach Resort Co., Ltd. ("CSBR") entered into the land lease agreement with CTARAF for lease the land to CTARAF for the period of 30 years commencing from the date on which both parties registered the lease agreement (26 September 2008). CTARAF agreed to pay the land lease fee in the total amount of Baht 1,500 million with full payment on the date on which the lease was registered. CSBR recognised such proceeds from lease as deferred income in its financial position and amortises to income using the straight line method over the lease term of 30 years. The Group presented the said land lease agreement as financial liabilities from long-term lease in the consolidated statement of financial position.
- 2) Central Plaza Hotel Public Company Limited ("CPH") entered into the property lease agreement with Centara Grand Beach Resort Samui Hotel, including the utility facilities and related equipment with CTARAF in order to lease to CTARAF for the period of 30 years commencing from the date that both parties registered the lease agreement (26 September 2008). CTARAF agreed to pay the property lease fee in the total amount of Baht 1,510 million with full payment on the date on which the lease was registered. CPH recognised such proceeds from lease as deferred income in the statement of financial position in consolidated and separate financial statements and amortises to income using the straight line method over the lease term of 30 years. The Group presented the said property lease agreement as financial liabilities from long-term lease in the consolidated statement of financial position.

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

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

If CTARAF wishes to renew the land lease agreement and building lease agreement as in No.1) and No. 2) above when the lease period was due, CTARAF has to state its intention to CSBR and CPH, depending on the case, in writing within the 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 each year, with an increase in the service fee at a mutually agreed rate.

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

On 1 November 2019, the Company entered into a service agreement with Centara Management Headquarter Limited in order to receive regulatory services, order and control hotel operations under the hotel name. The agreement is effective from 1 January 2019 to 31 December 2020. The Company agrees to pay service fee at the rate specified in the agreement. The agreement is automatically renewable annually every year.

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

The Subsidiaries

Central Sukhontha Hotel Co., Ltd. (“CHY”) has entered into a rental and services agreement with Central Department Store Co., Ltd. for a period of 30 years ending on 31 May 2024. Central Department Store Co., Ltd. agreed to lease part of CHY’s building as a shopping center. Total income to CHY throughout the agreement is approximately Baht 428 million. As at 31 December 2022, the balance of deferred income was Baht 26.2 million (31 December 2021: Baht 40.5 million) in the consolidated financial statements.

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

On 1 January 2015, Central Restaurants Group Co., Ltd. ("CRG") entered into legal consultant service agreement with Harng Central Department Store Co., Ltd. in order to receive consultation, explanation and advice of legal matters especially for laws related to its business. The service fee is agreed to pay at Baht 73,000 per month. The agreement had a period of 1 year, commencing from 1 January 2015 to 31 December 2015, unless in practice both parties involve in consultation and advice under the intention of continuing this agreement without the renewal of the agreement. This should be considered as the beginning of the agreement in infinite period and is the right of either party to terminate the agreement, however, the advance notice of the termination should not be less than 30 days. Subsequently, on 1 July 2019, CRG renewed the service agreement with Harng Central Department Store Co., Ltd. for a period of 2 years. The agreement is effective from 1 January 2019 to 31 December 2020. CRG agrees to pay service fee at Baht 77,000 per month.

On 17 April 2017, Central Restaurants Group Co., Ltd. ("CRG") entered into a service agreement with Harng Central Department Store Co., Ltd., commencing from 1 October 2016 to 31 December 2021, in order to receive finance and accounting service. The agreement is automatically renewable for 3 years each, with an increase in the service fee at a mutually agreed rate.

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

Long-term lease and service agreements

Central Restaurants Group Co., Ltd. (“CRG”) has long-term lease and service agreements with related parties for periods of 3 to 30 years up to 2036. According to the terms of the agreements, CRG has to pay monthly rental and service charges at fixed rates or at certain percentages of gross sales.

Directors and management’s benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)	
	Consolidated financial statements and separate financial statements	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	91	84
Post-employment benefits	2	1
Total	<u>93</u>	<u>85</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash on hand	82,165	113,274	1,724	1,553
Cash at banks - current accounts	1,695,666	835,324	866,021	271,928
Cash at banks - savings accounts	1,358,800	2,405,834	10	-
Total	<u>3,136,631</u>	<u>3,354,432</u>	<u>867,755</u>	<u>273,481</u>

As at 31 December 2022, bank deposits carried interests between 0.13 and 0.95 percent per annum (2021: between 0.13 and 0.45 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	187,007	112,817	9,815	7,972
Past due				
Not over 3 months	86,192	36,449	16,631	7,046
3 - 6 months	13,474	1,904	870	10
6 - 12 months	4,240	6,257	269	52
Over 12 months	12,067	17,963	7	5,821
Total	302,980	175,390	27,592	20,901
Less: Allowance for expected credit losses	(47,534)	(23,920)	(8,929)	(6,847)
Total trade receivable - unrelated parties, net	255,446	151,470	18,663	14,054
Trade receivable - net	255,446	151,470	18,663	14,054
<u>Other receivables</u>				
Other receivables - related parties	128,797	38,129	128,983	74,796
Other receivables - unrelated parties	815,157	618,483	48,174	22,552
Prepaid expense	71,970	65,335	21,116	25,122
Prepayment for purchase of goods	42,137	6,984	-	-
Total	1,058,061	728,931	198,273	122,470
Less: Allowance for expected credit losses	(86,104)	(79,039)	(21,981)	(14,538)
Total other receivables - net	971,957	649,892	176,292	107,932
Total trade and other receivables	1,227,403	801,362	194,955	121,986

The normal credit term is 30 to 45 days.

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	102,959	94,453	21,385	23,185
Provision for expected credit losses (reversal)	30,679	8,506	9,525	(1,800)
Ending balance	<u>133,638</u>	<u>102,959</u>	<u>30,910</u>	<u>21,385</u>

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Food and beverage	76,061	62,149	12,059	11,435
Raw materials	580,905	404,137	-	-
Work in process	50,414	14,192	-	-
Finished goods	9,039	8,561	-	-
Operating supplies	288,095	250,901	9,286	8,844
Others	25,211	14,362	1,058	1,073
	<u>1,029,725</u>	<u>754,302</u>	<u>22,403</u>	<u>21,352</u>
Less: Allowance for write-down inventories to net realisable value	<u>(5,833)</u>	<u>(6,518)</u>	<u>-</u>	<u>-</u>
Net	<u>1,023,892</u>	<u>747,784</u>	<u>22,403</u>	<u>21,352</u>

Inventories recognised as an expense in

'cost of sales':

- Cost	4,567,155	3,387,025	664,100	67,704
- Write-down inventories to net realisable value (reversal)	<u>(685)</u>	<u>1,936</u>	<u>-</u>	<u>-</u>
Net	<u>4,566,470</u>	<u>3,388,961</u>	<u>664,100</u>	<u>67,704</u>

10. Other current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Fixed deposit	653,885	500,260	-	-
Total other current financial assets - net	<u>653,885</u>	<u>500,260</u>	<u>-</u>	<u>-</u>

As at 31 December 2022, fixed deposit carried interest 1.20 - 1.75 percent per annum (2021: 0.65 - 1.75 percent per annum).

11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Withholding income tax and value added tax receivable	243,974	265,753	25,244	29,463
Undue input tax	10,129	45,782	2,406	3,386
Others	3,349	1,507	332	117
Total other current assets	<u>257,452</u>	<u>313,042</u>	<u>27,982</u>	<u>32,966</u>

12. Investment in an associate

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Associate				
At 1 January	500,415	513,195	491,844	507,211
Share of profit of investment in an associate	28,411	29,178	-	-
Unit redeemed	(36,046)	(15,367)	(36,046)	(15,367)
Dividend income	(6,487)	(26,591)	-	-
Reversal of impairment loss	-	-	24,500	-
At 31 December	<u>486,293</u>	<u>500,415</u>	<u>480,298</u>	<u>491,844</u>

There were no acquisition and disposal of investment in an associate during the year ended 31 December 2022 and 2021.

Investment in an associate as at 31 December 2022 and 2021, and dividend income for the years then ended, were as follows:

(Unit: Thousand Baht)

Company's name	Natures of business	Country of incorporation	Consolidated financial statements									
			Shareholding		Paid-up capital		Cost		Carrying amounts based		Dividend received	
			percentage						on equity method		during the year	
			<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			(Percent)	(Percent)								
Centara Hotels & Resorts Leasehold Property Fund	Property fund	Thai	25.3	25.3	2,717,632	2,859,872	687,862	723,908	486,293	500,415	6,487	26,591
Total							<u>687,862</u>	<u>723,908</u>	<u>486,293</u>	<u>500,415</u>	<u>6,487</u>	<u>26,591</u>

As at 31 December 2022, the closing price of Centara Hotels & Resorts Leasehold Property Fund was Baht 5.20 (2021: Baht 5.30). The fair value of investment in Centara Hotels & Resorts Leasehold Property Fund was Baht 422 million (2021: Baht 430 million).

(Unit: Thousand Baht)

			Separate financial statements											
Company's name	Natures of business	Country of incorporation	Shareholding percentage		Paid-up capital		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net		Dividend received during the year	
			<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			(Percent)	(Percent)										
Centara Hotels & Resorts Leasehold Property Fund	Property fund	Thai	25.3	25.3	2,717,632	2,859,872	687,862	723,908	(207,564)	(232,064)	480,298	491,844	6,487	26,591
Total							687,862	723,908	(207,564)	(232,064)	480,298	491,844	6,487	26,591

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

13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in separate financial statements.

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		Dividend received during the years	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			(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)	(119,200)	79,705	79,705	-	-
Central World Hotel Co., Ltd.	1,800,000	1,800,000	100	100	1,800,000	1,800,000	-	-	1,800,000	1,800,000	-	-
Central Koh Kood Hotel Co., Ltd.	120,000	120,000	100	100	120,000	120,000	-	-	120,000	120,000	-	-
Central Hotel Management Co., Ltd.	200,000	250,000	100	100	200,000	200,000	-	-	200,000	200,000	-	-
Central Restaurants Group Co., Ltd.	620,000	620,000	100	100	669,607	669,607	-	-	669,607	669,607	127,200	122,619
Triplene Decor Co., Ltd.	80,000	80,000	100	100	80,000	80,000	-	-	80,000	80,000	-	-
Central Samui Hotel Management Co., Ltd.	100,000	100,000	100	100	100,000	100,000	(100,000)	(100,000)	-	-	-	-
Centara International Management Co., Ltd.	150,000	150,000	100	100	150,000	150,000	-	-	150,000	150,000	-	-
S.P. Realty Had Farang Resort Co., Ltd.	88,500	88,500	100	100	88,500	88,500	-	-	88,500	88,500	-	-
S.P. Realty Pattaya Beach Co., Ltd.	80,000	80,000	100	100	80,000	80,000	-	-	80,000	80,000	-	-
Refresh Zone Co., Ltd.	1,000	1,000	100	100	1,000	1,000	(1,000)	(1,000)	-	-	-	-

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		Dividend received during the years	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			(Percent)	(Percent)								
Direct subsidiaries (continued)												
Central Bangkok Convention & Exhibition Co., Ltd.	1,000	1,000	100	100	1,000	1,000	(400)	-	600	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	700,000	100	100	700,000	700,000	(467,800)	(467,800)	232,200	232,200	-	-
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	(1,000)	-	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	(200)	-	800	1,000	-	-

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		Dividend received during the years	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			(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	1,556,920	1,556,920	100	100	-	-	-	-	-	-	-	-
Centara Lagoon Private Limited	83,874	-	100	100	-	-	-	-	-	-	-	-
Centara Japan Capital Godo Kaisha	59,937	59,937	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	97,066	100	100	-	-	-	-	-	-	-	-
Brown Dessert Company Limited	9,398	9,398	51	51	-	-	-	-	-	-	-	-
STN Restaurant Company Limited	235,000	235,000	85	85	-	-	-	-	-	-	-	-
Total					<u>6,482,332</u>	<u>6,482,332</u>	<u>(689,600)</u>	<u>(688,000)</u>	<u>5,792,732</u>	<u>5,794,332</u>	<u>127,200</u>	<u>122,619</u>

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

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the years		Dividend paid to non-controlling interests during the years	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Percent)	(Percent)						
<u>Subsidiary directly held by the Company</u>								
Central Hua Hin Beach Resort Co., Ltd.	36.05	36.05	48,687	33,214	15,472	(7,552)	-	-
<u>Subsidiary companies hold by Centara International Management Co., Ltd.</u>								
Centara Maldives Pvt. Ltd.	25.00	25.00	233,853	197,614	31,372	13,255	-	-
R.M.L Leisure Pvt. Ltd.	26.00	26.00	(112,068)	(84,342)	(23,825)	(18,909)	-	-

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

Summarised information about financial position

(Unit: Thousand Baht)

	Central Hua Hin Beach		Centara Maldives		R.M.L Leisure Pvt. Ltd.		Other individually immaterial subsidiaries		Intra-group eliminations		Total	
	Resort Co., Ltd.		Pvt. Ltd.									
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Non-controlling interests percentage	36.05	36.05	25	25	26	26						
Current assets	163,233	78,700	290,148	253,906	138,016	201,787						
Non-current assets	47,826	63,015	2,232,288	2,098,293	1,276,222	1,433,500						
Current liabilities	(63,915)	(38,160)	(160,076)	(140,220)	(1,154,973)	(1,116,282)						
Non-current liabilities	(12,091)	(11,422)	(1,426,949)	(1,421,524)	(690,296)	(843,397)						
Net assets	<u>135,053</u>	<u>92,133</u>	<u>935,411</u>	<u>790,455</u>	<u>(431,031)</u>	<u>(324,392)</u>						
Carrying amount of non-controlling												
Interests	<u>48,687</u>	<u>33,214</u>	<u>233,853</u>	<u>197,614</u>	<u>(112,068)</u>	<u>(84,342)</u>	60,602	32,434	141,520	176,357	372,594	355,277

Summarised information about comprehensive income

(Unit: Thousand Baht)

	Central Hua Hin Beach		Centara Maldives		R.M.L Leisure Pvt. Ltd.		Other individually immaterial subsidiaries		Intra-group eliminations		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue	376,738	165,030	784,658	544,978	640,385	466,102						
Profit (loss)	42,919	(20,948)	125,488	53,020	(91,636)	(72,719)						
Other comprehensive income	-	-	19,468	76,759	(15,002)	16,360						
Total comprehensive income	42,919	(20,948)	144,956	129,779	(106,638)	(56,359)						
Profit (loss) attributable to non-controlling interests	15,472	(7,552)	31,372	13,255	(23,825)	(18,909)	(6,669)	(10,987)	-	-	16,350	(24,193)
Other comprehensive income attributable to non- controlling interests	-	-	4,867	19,190	(3,901)	4,254	-	12,703	-	-	966	36,147

Summarised information about cash flows

(Unit: Thousand Baht)

	Central Hua Hin Beach		Centara Maldives		R.M.L Leisure Pvt. Ltd.		Other individually immaterial subsidiaries		Intra-group eliminations		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from (used in) operating activities	64,567	(26,128)	61,437	190,981	165,290	(49,955)						
Cash flows from (used in) investing activities	(63,363)	23,644	(28,244)	(8,126)	(61,542)	(12,628)						
Cash flows from (used in) financing activities	-	-	-	(120,312)	(161,125)	140,364						
Net increase (decrease) in cash and cash equivalents	<u>1,204</u>	<u>(2,484)</u>	<u>33,193</u>	<u>62,543</u>	<u>(57,377)</u>	<u>77,781</u>	18,927	(12,561)	-	-	(4,053)	125,279

13.4 Changes in investments in subsidiaries held by the Group

13.4.1 Additional called-up share capital of subsidiary held by the Company

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

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

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

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

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

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

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

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

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

On 23 March 2022, Centara Capital Limited (an indirectly-held foreign subsidiary) paid for the additional called-up ordinary shares of USD 2.5 million to Centara Lagoon Private Limited, which is an indirect subsidiary of the Group, accounting for 100 percent of the registered capital.

On 9 August 2022, Central Restaurants Group (HK) Limited (an indirectly-held foreign subsidiary) paid for the additional called-up ordinary shares of USD 0.8 million to Central Restaurants Group (Vietnam) Company Limited, which is an indirect subsidiary of the Group, accounting for 100 percent of the registered capital.

13.5 Acquisition of investment

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

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

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

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

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

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

13.6 Impairment testing for investments in subsidiaries which consisted of impairment indicators

For the purpose of impairment testing for investments in subsidiaries, the Group determined the recoverable amount based on its value in use, determined by discounting the future cash flows to be generated from the continuing operations of each subsidiary by reference to 5 - 32 years of financial budgeted forecasts.

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

14. Investment in joint ventures

14.1 Details of investment in joint ventures

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

(Unit: Thousand Baht)

		Consolidated financial statements							
Joint ventures	Natures of business	Shareholding percentage		Carrying amounts based on equity method		Long-term loans		Total	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		(Percent)	(Percent)						
Centara Mirage Beach Resort - Dubai FZCO (formerly known as "Nakheel CT Deira Islands Hotel- FZCO")	Hotel	40	40	(61,477)	(11,834)	2,031,811	1,845,442	1,970,334	1,833,608
Green Food Factory Co., Ltd.	Food and beverage	51	51	127,941	124,310	-	-	127,941	124,310
Centara Osaka Tokutei Mokutei Kaisha	Hotel	51	51	1,342,530	1,392,821	-	-	1,342,530	1,392,821
ORC COFFEE PASSION GROUP JOINT STOCK COMPANY	Food and beverage	40	40	80,522	69,416	-	-	80,522	69,416
The Food Selection Group Co., Ltd	Food and beverage	51	-	557,266	-	-	-	557,266	-
Total				<u>2,046,782</u>	<u>1,574,713</u>	<u>2,031,811</u>	<u>1,845,442</u>	<u>4,078,593</u>	<u>3,420,155</u>

14.1.1 In 2016, Centara Capital Limited (an indirectly-held foreign subsidiary) entered into a joint venture agreement and established Centara Mirage Beach Resort - Dubai FZCO (formerly known as “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.

14.1.2 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.

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

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

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

Subsequently in November 2021, ORC COFFEE PASSION GROUP JOINT STOCK COMPANY registered the share capital increase. Centara Restaurant Group (Vietnam) Company Limited (subsidiary) paid for the additional ordinary shares of VND 31,700.5 million or equivalent to Baht 46.5 million.

On 20 September 2022, 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 18,461.7 million or equivalent to Baht 29.0 million. Thus, as at 31 December 2022, the subsidiary's shareholding was 40 percent of issued and paid-up capital, totalling VND 82,372.1 million equivalent to Baht 119.1 million (2021: VND 63,910.4 million or equivalent to Baht 87.8 million).

14.1.5 On 3 May 2022, Central Restaurants Group Co., Ltd. ("CRG"), the Company's subsidiary, had purchased 408,000 ordinary shares of The Food Selection Group Co., Ltd., which operates food and beverage business Baht 465.0 million. CRG's shareholding in this company was 51 percent of issued capital.

As at 31 December 2022, The Food Selection Group Co., Ltd., has fulfilled the share subscription agreement, as reflected in its operation results, which specified that if the said company had the earnings before interests, taxes, depreciation and amortisation more than or equal Baht of 120 million, CRG agreed to additionally purchase 51,000 shares, totaling Baht 50 million. CRG's shareholding in this company was 51 percent of issued capital.

At present, CRG is in the process of assessing the fair value of identifiable assets acquired and liabilities assumed at the acquisition dates. The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets. The assessment shall be completed within the measurement period of twelve months from the acquisition date pursuant to the period allowed by Thai Financial Reporting Standard No. 3 "Business Combinations". During the measurement period, CRG will make further retrospective adjustment of the provisional amounts recognised at the acquisition dates when it obtains complete accounting information for reporting in the financial statements.

Long-term loans to joint venture

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

Movements during the years ended 31 December 2022 and 2021 of loans to joint venture were as follows:

	Interest rate		(Unit: Thousand Baht) Consolidated financial statement	
	<u>2022</u> (Percent)	<u>2021</u> (Percent)	<u>2022</u>	<u>2021</u>
Joint venture				
At 1 January			1,845,442	1,175,634
Addition	5.3 - 9.8	5.3 - 5.7	122,306	522,620
Effect on exchange rate			64,063	147,188
At 31 December			<u>2,031,811</u>	<u>1,845,442</u>

14.2 Share of comprehensive income

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

Joint ventures	(Unit: Thousand Baht) Consolidated financial statements	
	Share of (loss) from investment in joint ventures during the years	
	<u>2022</u>	<u>2021</u>
Centara Mirage Beach Resort - Dubai FZCO (formerly known as "Nakheel CT Deira Islands Hotel- FZCO")	(49,643)	(11,519)
Green Food Factory Co., Ltd.	3,631	(11,063)
Centara Osaka Tokutei Mokutei Kaisha	(50,291)	(55,376)
ORC COFFEE PASSION GROUP JOINT STOCK COMPANY	(17,939)	(15,303)
The Food Selection Group Co., Ltd	42,265	-
Total	<u>(71,977)</u>	<u>(93,261)</u>

14.3 Summarised financial information amount material joint ventures

Summarised information about financial position

(Unit: Thousand Baht)

	Centara Mirage Beach Resort - Dubai FZCO (formerly known as "Nakheel CT Deira Islands Hotel- FZCO")		Green Food Factory Co., Ltd.		Centara Osaka Tokutei Mokuteki Kaisha		ORC COFFEE PASSION GROUP JOINT STOCK COMPANY		The Food Selection Group Co., Ltd	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	561,681	138,265	11,983	2,078	276,171	656,895	29,807	117,500	214,732	-
Trade and other receivables	149,767	139,347	15,078	13,138	-	-	-	-	3,905	-
Inventories	-	-	23,964	16,662	-	-	4,198	4,849	33,722	-
Other current assets	-	-	3,223	1,242	7,315	4,945	65,808	16,681	14,339	-
Property, plant and equipment	5,657,465	5,526,787	149,066	112,165	1,980,246	2,114,512	109,757	28,030	154,622	-
Intangible assets	-	-	1,256	1,050	-	-	5,612	4,448	3,675	-
Other non-current assets	-	-	76,817	67,930	181,338	-	50,075	15,161	30,148	-
Trade and other payables	(1,444,236)	(1,221,973)	(54,008)	(49,401)	(3,772)	(1,424)	(44,818)	(12,819)	(73,113)	-
Other current liabilities	-	-	(78,770)	(48,372)	(388)	(352)	(18,954)	(6,217)	(24,320)	-
Other non-current assets	(5,079,264)	-	(87,185)	(64,563)	-	-	-	-	(4,915)	-
Net assets	(154,587)	4,582,426	61,424	51,929	2,440,910	2,774,576	201,485	167,633	352,795	-
Shareholding percentage	40%	40%	51%	51%	51%	51%	40%	40%	51%	-
Share of net assets	(61,835)	1,832,970	31,326	26,484	1,244,864	1,415,034	80,594	67,053	179,925	-
Elimination entries	-	-	-	-	-	-	-	-	-	-
Carrying amounts of joint venture based on equity method	(61,835)	1,832,970	31,326	26,484	1,244,864	1,415,034	80,594	67,053	179,925	-

Summarised information about comprehensive income

(Unit: Thousand Baht)

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	Centara Mirage Beach Resort - Dubai FZCO (formerly known as "Nakheel CT Deira Islands Hotel- FZCO")		Green Food Factory Co., Ltd.		Centara Osaka Tokutei Mokuteki Kaisha		ORC COFFEE PASSION GROUP JOINT STOCK COMPANY		The Food Selection Group Co., Ltd	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues	1,490,040	233,440	435,786	252,263	-	-	69,240	11,322	794,969	-
Other income	366	84	4,871	2,355	1,719	1	3,758	-	3,373	-
Cost of sales	(936,523)	(156,561)	(200,139)	(129,297)	-	-	(22,514)	(4,999)	(409,357)	-
Administrative expense	(210,028)	(105,734)	(230,210)	(144,867)	(100,006)	(108,229)	(95,333)	(44,582)	(306,655)	-
Finance cost	(467,962)	(26)	(2,878)	(1,869)	-	-	-	-	-	-
Income (expenses) tax income	-	-	(311)	(277)	(324)	(353)	-	-	544	-
Loss for the years	(124,107)	(28,797)	7,119	(21,692)	(98,611)	(108,581)	(44,849)	(38,259)	82,874	-
Total comprehensive income for the years	(124,107)	(28,797)	7,119	(21,692)	(98,611)	(108,581)	(44,849)	(38,259)	82,874	-
Shareholding percentage	40%	40%	51%	51%	51%	51%	40%	40%	51%	-
Share of loss for the years	(49,643)	(11,519)	3,631	(11,063)	(50,291)	(55,376)	(17,939)	(15,343)	42,265	-
Elimination entries	-	-	-	-	-	-	-	-	-	-
Share of loss from investment in joint venture for the years	(49,643)	(11,519)	3,631	(11,063)	(50,291)	(55,376)	(17,939)	(15,343)	42,265	-

15. Investment properties

The net book value of investment properties as at 31 December 2022 and 2021 is presented below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cost				
At 1 January	300,760	300,760	347,384	367,490
Disposal/write off	-	-	-	(20,106)
At 31 December	<u>300,760</u>	<u>300,760</u>	<u>347,384</u>	<u>347,384</u>
Accumulated depreciation				
At 1 January	(130,145)	(126,990)	(153,610)	(155,266)
Depreciation charge for the year	(3,155)	(3,155)	(11,580)	(12,112)
Disposal/write off	-	-	-	13,768
At 31 December	<u>(133,300)</u>	<u>(130,145)</u>	<u>(165,190)</u>	<u>(153,610)</u>
Net book value				
At 1 January	<u>170,615</u>	<u>173,770</u>	<u>193,774</u>	<u>212,224</u>
At 31 December	<u>167,460</u>	<u>170,615</u>	<u>182,194</u>	<u>193,774</u>

The fair value of investment properties in consolidated and separate financial statements as at 31 December 2022 of Baht 1,300 million and Baht 955 million, respectively (2021: Baht 1,300 million and Baht 955 million, respectively) were determined by independent professional valuers, by using the income method, determined by discounted cash flow using risk-adjusted discount rates. Inputs used in the fair value measurement are consisted of expected market rental fee growth and average rental fee. The fair value measurement for investment properties has been categorised as a Level 3 fair value.

As at 31 December 2022, the Subsidiary has land possessory right (Phor Bor Thor 5) of Baht 33 million (31 December 2021: 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.

16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis	Cost basis								
			Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress	Total
Cost/Revalued amount	Land	Land improvements								
1 January 2021	2,385,372	804,133	17,170,263	7,537,664	3,659,019	517,615	938,822	224,114	1,975,582	35,212,584
Revaluations	12,012,828	-	-	-	-	-	-	-	-	12,012,828
Increase from business acquisition	-	-	-	36,186	-	-	-	-	-	36,186
Additions	-	2,478	235,287	82,238	63,743	7,414	1,611	11,981	1,290,594	1,695,346
Transfer in/(out)	-	-	1,493,927	136,506	139,395	-	996	440	(1,775,754)	(4,490)
Disposals/write-off	-	-	(183,603)	(57,467)	(44,975)	(32,729)	-	(5,856)	(10,761)	(335,391)
Effect of movements in exchange rates	-	3,448	273,360	63,853	44,778	21,719	-	2,660	(1,572)	408,246
31 December 2021	14,398,200	810,059	18,989,234	7,798,980	3,861,960	514,019	941,429	233,339	1,478,089	49,025,309
Additions	-	1,822	181,684	159,511	51,958	45,052	983	4,622	467,425	913,057
Transfer in/(out)	-	19,756	96,369	210,633	75,863	205	699	370	(408,624)	(4,729)
Disposals/write-off	-	(40)	(166,555)	(110,449)	(82,120)	(71,874)	-	(11,921)	(9,726)	(452,685)
Effect of movements in exchange rates	-	3,798	82,140	(53,426)	(36,670)	906	-	(23,051)	534	(25,769)
31 December 2022	14,398,200	835,395	19,182,872	8,005,249	3,870,991	488,308	943,111	203,359	1,527,698	49,455,183

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis	Cost basis								
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress	Total
Accumulated depreciation										
1 January 2021	-	450,560	8,110,907	5,373,361	2,494,068	-	497,569	170,428	-	17,096,893
Depreciation for the year	-	32,432	713,882	380,967	167,801	-	40,626	11,672	-	1,347,380
Transfer in/(out)	-	-	(6)	(133)	139	-	-	-	-	-
Disposals/write-off	-	-	(163,047)	(55,688)	(43,397)	-	-	(5,704)	-	(267,836)
Effect of movements in exchange rates	-	1,079	196,188	35,622	47,389	-	-	1,862	-	282,140
31 December 2021	-	484,071	8,857,924	5,734,129	2,666,000	-	538,195	178,258	-	18,458,577
Depreciation for the year	-	31,033	867,613	397,600	154,442	-	35,837	10,021	-	1,496,096
Transfer in/(out)	-	-	-	1	(1)	-	-	-	-	-
Disposals/write-off	-	(39)	(143,853)	(97,141)	(79,709)	-	-	(8,259)	-	(329,001)
Effect of movements in exchange rates	-	1,785	46,071	(66,732)	(39,052)	-	(4,490)	(22,948)	-	(84,736)
31 December 2022	-	516,850	9,627,935	5,967,857	2,701,680	-	569,542	157,072	-	19,540,936

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation	Cost basis								
	basis									
					Furniture,					
	Land	Land	Buildings and	Machinery	fixtures and	Hotel	Leasehold		Construction	Total
	improvements	improvements	and	office	operating	improvements	Vehicles	in progress		
			equipment	equipment	equipment					
Allowance for impairment										
1 January 2021	49,200	2,030	260,571	117,308	97,465	27,563	159,000	2,000	32,137	747,274
Decrease during the year	(45,000)	-	(2,000)	(1,000)	(5,001)	(3,000)	-	-	-	(56,001)
31 December 2021	4,200	2,030	258,571	116,308	92,464	24,563	159,000	2,000	32,137	691,273
Increase during the year	-	-	463	-	5,132	2,155	-	-	-	7,750
31 December 2022	4,200	2,030	259,034	116,308	97,596	26,718	159,000	2,000	32,137	699,023
Net book value										
31 December 2021	14,394,000	323,958	9,872,739	1,948,543	1,103,496	489,456	244,234	53,081	1,445,952	29,875,459
31 December 2022	14,394,000	316,515	9,295,903	1,921,084	1,071,715	461,590	214,569	44,287	1,495,561	29,215,224
Depreciation for the year										
2021										1,347,380
2022										1,496,096

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2022 amounted to Baht 9,150 million (2021: Baht 8,729 million).

(Unit: Thousand Baht)

Separate financial statements

	Revaluation	Cost basis							
	basis								
			Buildings and	Machinery	Furniture,	Hotel	Leasehold	Construction	
	Land	Land	building	and	fixtures and	operating	improvements	Vehicles	Total
		improvements	improvements	equipment	equipment	equipment		in progress	
Cost/Revalued amount									
1 January 2021	774,987	321,458	2,153,784	1,257,123	568,680	159,668	929,140	73,397	6,371,094
Revaluations	3,435,813	-	-	-	-	-	-	-	3,435,813
Additions	-	-	13,467	3,134	2,507	3,120	1,492	14,792	38,512
Transfer in/(out)	-	-	16,635	59,219	10,707	-	996	(91,683)	(4,126)
Disposals/write-off	-	-	(138)	(7,470)	(2,969)	(5,059)	-	(2,483)	(18,119)
31 December 2021	4,210,800	321,458	2,183,748	1,312,006	578,925	157,729	931,628	55,966	9,823,174
Additions	-	-	1,491	6,114	6,400	8,858	983	13,151	36,997
Transfer in/(out)	-	-	4,639	28	296	-	699	(8,322)	(2,660)
Disposals/write-off	-	-	-	(4,651)	(4,773)	(10,583)	-	(1,231)	(21,238)
31 December 2022	4,210,800	321,458	2,189,878	1,313,497	580,848	156,004	933,310	60,795	9,836,273

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis		Cost basis							Total
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress	
Accumulated depreciation										
1 January 2021	-	179,860	510,085	792,622	455,371	-	495,124	60,197	-	2,493,259
Depreciation for the year	-	16,169	34,771	61,219	14,944	-	40,242	3,087	-	170,432
Disposals/write-off	-	-	(70)	(7,029)	(2,980)	-	-	(2,579)	-	(12,658)
31 December 2021	-	196,029	544,786	846,812	467,335	-	535,366	60,705	-	2,651,033
Depreciation for the year	-	15,248	47,910	55,682	14,515	-	31,057	1,580	-	165,992
Disposals/write-off	-	-	-	(4,095)	(4,655)	-	-	(1,192)	-	(9,942)
31 December 2022	-	211,277	592,696	898,399	477,195	-	566,423	61,093	-	2,807,083
Allowance for impairment										
1 January 2021	-	-	-	21,000	13,000	21,000	156,000	1,000	-	212,000
31 December 2021	-	-	-	21,000	13,000	21,000	156,000	1,000	-	212,000
31 December 2022	-	-	-	21,000	13,000	21,000	156,000	1,000	-	212,000
Net book value										
31 December 2021	4,210,800	125,429	1,638,962	444,194	98,590	136,729	240,262	9,209	55,966	6,960,141
31 December 2022	4,210,800	110,181	1,597,182	394,098	90,653	135,004	210,887	7,590	60,795	6,817,190
Depreciation for the year										
2021										170,432
2022										165,992

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2022 amounted to Baht 900 million (2021: Baht 810 million).

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

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

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

In respect to the hotel buildings, constructions and fixtures thereon of a subsidiary, Central World Hotel Co., Ltd. ("CWH"), the rights on buildings and constructions thereon which CWH repair and maintenance or construct on the sub-lease land will be transferred to the land owner, the Crown Property Bureau. As at 31 December 2022, the net book value of assets under sub-lease land agreement was Baht 2,030 million (2021: Baht 2,251 million).

As at 31 December 2022 and 2021, the Group has an allowance for impairment of non-financial assets to reduce the carrying amount of the assets to their recoverable amounts are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Property, plant and equipment	699	691	212	212
Right-of-use assets	492	492	457	457
Intangible assets	8	4	-	-
Total	<u>1,199</u>	<u>1,187</u>	<u>669</u>	<u>669</u>

The Company has determined the recoverable amounts of its assets based on value in use using cash flow projections from financial estimation approved by management.

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

	(Unit: percent per annum)	
	2022	2021
Discount rate	12.0	9.3
Growth rate	3.0	3.0

During the year 2021, 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 historical cost basis, their net book values as of 31 December 2022 would have been approximately Baht 2,336 million (the Company only: Baht 775 million) (2021: Baht 2,336 million and Baht 775 million, respectively).

17. Goodwill

Movements of the goodwill account during the years ended 31 December 2022 and 2021 were summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
As at 31 December 2020	336,028
Increase from business acquisition (Note 13.5)	24,404
As at 31 December 2021	360,432
As at 31 December 2022	360,432

Goodwill arising from the acquisition of Central Restaurants Group Co., Ltd. and indirect interest in CRG International Food Co., Ltd., Brown Dessert Co., Ltd. and STN Restaurant Co., Ltd. are Baht 115 million, Baht 199 million, Baht 22 million and Baht 24 million, respectively. The Group has reviewed for impairment of goodwill annually.

The management has considered and believed that no impairment was required for goodwill.

CGU

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

The key assumptions used in value in use are as follows.

	Consolidated financial statements							
	Central Restaurants		CRG International					
	Group Co., Ltd.		Food Co., Ltd.		Brown Dessert Co., Ltd.		STN Restaurant Co., Ltd.	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Percent)	(Percent)	(Percent)	(Percent)	(Percent)	(Percent)	(Percent)	(Percent)
Growth rate								
Year 1 - 5	13 - 14	14 - 22	7 - 15	11 - 37	23 - 34	23 - 160	38 - 79	24 - 316
After year 5	-	-	-	-	-	-	-	-
Gross margin	65	64	71	69	66	62	72	70
Discount rate	10.1	7.3	10.1	7.3	10.1	7.3	10.1	7.3

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

18. Intangible assets

(Unit: Thousand Baht)

Consolidated financial statements					
	Computer software	License agreements	Deferred initial fees	Trademark	Total
Cost					
1 January 2021	417,507	239,926	485,474	49,663	1,192,570
Increase from business acquisition	-	-	-	190,732	190,732
Additions	46,656	-	32,640	-	79,296
Transfer in	4,490	-	-	-	4,490
Write-off	(61,823)	-	(13,062)	-	(74,885)
Effect of movements in exchange rates	910	-	-	-	910
31 December 2021	407,740	239,926	505,052	240,395	1,393,113
Additions	38,493	-	77,130	-	115,623
Transfer in	4,729	-	-	-	4,729
Write-off	(2,215)	-	(25,797)	-	(28,012)
Effect of movements in exchange rates	307	-	4,505	-	4,812
31 December 2022	449,054	239,926	560,890	240,395	1,490,265
Accumulated amortisation					
1 January 2021	247,169	223,931	195,892	-	666,992
Amortisation	18,074	15,995	47,287	11,182	92,538
Accumulated amortisation of assets write-off	(40,497)	-	(11,915)	-	(52,412)
Effect of movements in exchange rates	696	-	-	-	696
31 December 2021	225,442	239,926	231,264	11,182	707,814
Amortisation	34,685	-	50,574	11,182	96,441
Accumulated amortisation of assets write-off	(80)	-	(22,582)	-	(22,662)
Effect of movements in exchange rates	234	-	4,505	-	4,739
31 December 2022	260,281	239,926	263,761	22,364	786,332
Allowance for impairment					
1 January 2021	19,987	-	2,354	-	22,341
Increase during the year	-	-	559	-	559
Decrease during the year	(19,344)	-	-	-	(19,344)
31 December 2021	643	-	2,913	-	3,556
Increase during the year	-	-	4,462	-	4,462
31 December 2022	643	-	7,375	-	8,018
Net book value					
31 December 2021	181,655	-	270,875	229,213	681,743
31 December 2022	188,130	-	289,754	218,031	695,915

	(Unit: Thousand Baht)
	Separate
	financial statements
	Computer software
Cost	
1 January 2021	71,687
Additions	156
Transfer in	4,126
Write-off	(32,145)
31 December 2021	43,824
Additions	517
Transfer in	2,660
31 December 2022	47,001
Accumulated amortisation	
1 January 2021	63,449
Amortisation	3,688
Write-off	(32,145)
31 December 2021	34,992
Amortisation	4,251
31 December 2022	39,243
Net book value	
31 December 2021	8,832
31 December 2022	7,758

As at 31 December 2022, the Group recognised impairment loss and disclosed in Note 16.

19. Other non-current financial assets

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		<u>2022</u>	<u>2021</u>
<u>Equity instruments designated at FVOCI</u>			
Listed equity instruments	798	717	-
Total equity instruments designated at FVOCI	798	717	-
<u>Financial assets at amortised cost</u>			
Accrued interest - loan in joint venture	390,112	226,584	-
Less: Allowance for expected credit losses	(17,000)	(24,000)	-
Total financial assets at amortised cost	373,112	202,584	-
Total other non-current financial assets - net	373,910	203,301	-

20. Other non-current assets

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		<u>2022</u>	<u>2021</u>
Deposits	574,330	538,600	5,723
Advance payment for construction	19,651	25,916	-
Others	165	749	749
Total	594,146	565,265	3,407

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term loans from financial institutions - secured	5.3 - 6.9	1.9 - 3.1	176,224	334,199	-	-
Short-term loans from financial institutions - unsecured	1.4 - 4.0	1.1 - 2.5	632,812	1,630,099	460,000	1,463,000
Total			<u>809,036</u>	<u>1,964,298</u>	<u>460,000</u>	<u>1,463,000</u>

Movements in bank overdrafts and short-term loans from financial institutions during the year ended 31 December 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	1,964,298	1,463,000
Add: Additional loan withdrew during the year	291,284	200,000
Less: Repayment during the year	(1,466,111)	(1,203,000)
Effect of movements in exchange rates	19,565	-
Balance as at 31 December 2022	<u>809,036</u>	<u>460,000</u>

As at 31 December 2022, the Group has unused credit facilities for bank overdrafts and short-term loans totalling Baht 1,500 million (Separate financial statements: Baht 612 million) (2021: Baht 1,329 million (Separate financial statements: Baht 612 million)).

The borrowing include liabilities in the total amount of Baht 176 million (2021: Baht 344 million) in the consolidated financial statement. Loans from financial institutions are guaranteed by the Company and a director of the Company.

Short-term loan of the Company

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

From August to September 2022, the Company entered into the loan agreements by issuing short-term promissory notes to two local financial institutions amounting to Baht 460 million. The short-term promissory notes carry interest at the rate specified in the promissory notes with the maturity period between January 2023 and March 2023. As at 31 December 2022, the outstanding balance of the aforesaid promissory notes is Baht 460 million.

Short-term loan of the subsidiaries

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

During September to December 2022, a foreign subsidiary entered into the loan agreements by issuing short-term promissory notes to three local financial institutions amounted to USD 10.1 million. The short-term promissory notes carry interest at the rate specified in the promissory notes with a maturity between March 2023 and June 2023.

As at 31 December 2022, the outstanding balance of the aforesaid promissory notes are USD 10.1 million as equivalent of Baht 349.0 million (2021: USD 15 million as equivalent of Baht 501.3 million).

22. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade payables - other parties	798,308	691,717	42,781	44,602
Amounts due to related parties	220,047	6,226	92,260	19,594
Other payables	132,531	81,163	37,604	34,724
Payables for purchase of buildings and equipment	199,597	186,940	825	1,301
Guest deposits	393,880	259,188	103,914	82,159
Accrued expenses	1,688,196	1,386,097	108,663	47,448
Interest payable	27,211	57,979	36,640	35,377
Total trade and other payables	<u>3,459,770</u>	<u>2,669,310</u>	<u>422,687</u>	<u>265,205</u>

23. Long-term loans

		(Unit: Thousand Baht)					
		Interest rate		Consolidated		Separate	
		(percent per annum)		financial statements		financial statements	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Long-term loans from financial institutions							
Secured	1.6 - 6.1	1.5 - 2.7	548,738	716,202	-	-	-
Unsecured	0.9 - 6.8	0.9 - 2.4	11,645,309	9,837,579	11,275,184	9,259,554	
Total			12,194,047	10,553,781	11,275,184	9,259,554	
Less: Portion due within one year			(4,091,230)	(2,075,902)	(3,697,965)	(1,689,684)	
Long-term loans from financial institutions, net of current portion							
			8,102,817	8,477,879	7,577,219	7,569,870	

Movements in the long-term loans from financial institution during the year ended 31 December 2022 are summarised below.

			(Unit: Thousand Baht)	
			Consolidated	Separate
			financial	financial
			statements	statements
Balance as at 1 January 2022			10,553,781	9,259,554
Add: Additional loan withdrew during the year			2,300,000	2,300,000
Amortisation of transaction costs during the year			7,396	7,396
Less: Repayment during the year			(591,813)	(198,349)
Transaction costs during the year			(2,250)	(2,250)
Effect of movements in exchange rates			(73,067)	(91,167)
Balance as at 31 December 2022			12,194,047	11,275,184

The borrowings include secured liabilities in the total amount of Baht 549 million (2021: Baht 716 million) in the consolidated financial statements. Loans from financial institutions are guaranteed by the Company and a director of the Company.

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

As at 31 December 2022, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 2,800 million (Separate financial statements: Baht 2,000 million) (2021: Baht 2,300 million (Separate financial statements: Baht 2,300 million)).

Long-term loan of the Company

- a) In May 2017, the Company entered into a loan agreement with a local financial institution to be source of fund for investment in Dubai project and others, which are relevant to the project, with a loan credit facility of USD 64.0 million. As of 31 December 2021, the stated loan was drawn down in the total amount of USD 56.8 million. The principal is payable in installment term on a three-month basis, starting from the last working day of the 57th month after the agreement signing date and the interest is payable on a three-month term basis. This loan is an unsecured loan carrying an interest at the rate specified in the agreement and contains covenants in various matters, including of the maintenance of financial ratios. As at 31 December 2022, the outstanding balance of the aforesaid loan is USD 31.6 million as equivalent of Baht 1,099.7 million (2021: USD 37.4 million as equivalent of Baht 1,255.4 million).
- b) In March 2020, the Company entered into a loan agreement with a local financial institution to be source of funds for an investment in a project in Japan amounting to JPY 4,500.0 million. The loan was fully drawn down between 2020 and 2021. The principal is to be fully repaid within eight years from the agreement signing date and the interest is payable on a three-month term basis. This loan is an unsecured loan carrying an interest at the rate specified in the agreement and contains covenants in various matters, including of the maintenance of financial ratios. As at 31 December 2022, the outstanding balance of the aforesaid loan net of transaction cost is JPY 4,469.2 million as equivalent of Baht 1,182.2 million (2021: JPY 4,465.2 million as equivalent of Baht 1,314.3 million).
- c) In June 2020, the Company entered into a loan agreement with a local financial institution for a loan of Baht 2,500.0 million. The loan was fully drawn down between 2020 and 2021 and fully repayable within three years from the drawdown date. The loan carries interest at the rate specified in the agreement which is payable in every three months. This loan is an unsecured loan and has a condition with respect to maintaining financial ratios that the Company must comply. As at 31 December 2022, the outstanding balance of the aforesaid loan is Baht 2,500 million (2021: Baht 2,500.0 million).

- d) In July 2020, the Company entered into a loan agreement with a local financial institution for a loan of Baht 1,000.0 million. The loan was fully drawn down in 2021 and to be fully repaid within two years from the drawdown date. The loan carries interest at the rate specified in the agreement which is payable in every three months. This loan is an unsecured loan and has a condition with respect to maintaining financial ratios that the Company must comply. As at 31 December 2022, the outstanding balance of the aforesaid loan net of transaction cost is Baht 999.6 million (2021: Baht 998.9 million).
- e) In December 2020, the Company entered into a loan agreement with a local financial institution for a loan of Baht 1,500.0 million. The loan was fully drawn down between 2020 and 2021 and fully repayable within two years from the drawdown date. The loan carries interest at the rate specified in the agreement which is payable in every three months. This loan is an unsecured loan and has a condition with respect to maintaining financial ratios that the Company must comply. As at 31 December 2022, the outstanding balance of the aforesaid loan net of transaction cost is Baht 1,499.6 million (2021: Baht 1,497.9 million).
- f) 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 fully drawn down between 2021 and 2022 and to be fully repayable within three years from the drawdown date. The loan carries interest at the rate specified in the agreement which is payable in every three months. This loan is an unsecured loan and has a condition with respect to maintaining financial ratios that the Company must comply. As at 31 December 2022, the outstanding balance of the aforesaid loan net of transaction cost is Baht 2,495.9 million (2021: Baht 1,693.1 million).
- g) In December 2021, the Company entered into a loan agreement with a local financial institution for loan of Baht 1,500.0 million. The loan was fully drawn down in 2022 and to be fully repaid within 2 years and 6 months from the drawdown date. The loan carries interest at the rate specified in the agreement which is payable in every three months. This loan is an unsecured loan and has a condition with respect to maintaining financial ratios that the Company must comply. As at 31 December 2022, the outstanding balance of the aforesaid loan net of transaction cost is Baht 1,498.2 million.
- h) In October 2022, the Company entered into a loan agreement with a local financial institution for loan of Baht 2,000 million. The loan has not yet been drawn down 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 be comply.

Long-term loan of the subsidiaries

- i) A foreign subsidiary entered into loan agreements with a local financial institution for credit lines of USD 20.0 million and USD 9.0 million. The loans were fully drawn down between 2013 and 2016 and repayable in quarterly installments within ten years and seven years respectively from the first drawdown date. The loans carried interest at the rates specified in the agreement, which was payable in every three months and guaranteed by a director and the parent company. The loan agreement conditions required the maintenance of financial ratios. As at 31 December 2022, the outstanding loans amounted to USD 6.3 million as equivalent of Baht 217.7 million and USD 3.2 million as equivalent of Baht 110.6 million, respectively (2021: USD 9.1 million as equivalent of Baht 304.1 million and USD 4.8 million as equivalent of Baht 160.4 million, respectively).
- j) A foreign subsidiary entered into a loan agreement with a local financial institution for a credit line of USD 20.4 million. The loan was fully drawn down in March 2017 and repayable in quarterly installments until 2021. The loan carried interest at the rate specified in the agreement and was guaranteed by a director and the parent company. The loan agreement conditions required the maintenance of financial ratios. As at 31 December 2020, the outstanding balance of the aforesaid loan was USD 3.6 million as equivalent of Baht 108.1 million which the subsidiary had fully paid such loan during the year 2021.
- k) A subsidiary entered into a loan agreement with two local financial institutions for credit lines of Baht 177.0 million and Baht 293.0 million. The loans were drawn down between 2017 and 2020 totalling Baht 30.0 million and Baht 288.5 million respectively. The loans were repayable in quarterly installments within ten years and five years from the first drawdown date. The loans carried interest at the rates specified in the agreement, which was payable in every three months and was guaranteed by the parent company. Under the loan agreement conditions, the parent company was required to maintain the financial ratios. As at 31 December 2022, the outstanding balances of the loan amounted to Baht 220.4 million and the subsidiary had fully paid the loan was drawn down of Baht 30.0 million during the year (2021: Baht 1.5 million and Baht 250.2 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 31 December 2022, the outstanding balance of the loan is Baht 370.1 million (2021: Baht 578.0 million).
- m) In December 2022, a subsidiary entered into a loan agreement with a local financial institution for a credit lines of Baht 800 million. The loan has not yet been drawn down and repayable in quarter installments within seven years, starting form the 12th month after the agreement signing date. The loan carried interest at the rate specified in the agreement, which was payable in very on month and was guaranteed by the parent company. The loan agreement conditions required the maintenance of financial ratios.

24. Debentures

The outstanding balances of debentures of the Company as at 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)						
	Interest rate	Maturity date	Consolidated		Separate	
			financial statements		financial statements	
			<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Percent)					
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	1,000,000	1,000,000
No. 3/2016	3.39	29 September 2026	500,000	500,000	500,000	500,000
No. 1/2019	2.44	31 October 2024	600,000	600,000	600,000	600,000
2022	1.10	30 September 2023	45,334	-	-	-
2022	1.10	31 December 2023	45,334	-	-	-
2022	1.10	31 March 2024	45,334	-	-	-
2022	1.10	30 June 2024	45,334	-	-	-
			2,281,336	3,100,000	2,100,000	3,100,000
Debentures due within one year			(1,090,668)	(1,000,000)	(1,000,000)	(1,000,000)
Debentures due after one year			1,190,668	2,100,000	1,100,000	2,100,000

Movements of debentures account during the years ended 31 December 2022 were summarised below

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	3,100,000	3,100,000
Add: Additional loan withdrew during the period	186,076	-
Less: Repayment during the period	(1,000,000)	(1,000,000)
Effect of movements in exchange rates	(4,740)	-
Balance as at 30 December 2022	2,281,336	2,100,000
Debentures due within one year	(1,090,668)	(1,000,000)
Debentures due after one year	1,190,668	1,100,000

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.

On 15 July 2022, a foreign subsidiary issued debentures to a joint venture of JPY 695 million. The debentures carry interest at the rate with maturity date specified in the agreement. As at 31 December 2022, the outstanding of the debentures amounted to JPY 695 million as equivalent of Baht 181 million.

On 28 September 2022, the Company repaid debenture of 1,000,000 units at a price of Baht 1,000 per unit, totalling Baht 1,000 million (2021: 980,000 units at a price of Baht 1,000 per unit, totalling Baht 980 million).

25. Leases

25.1 The Group as a lessee

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

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	Land and building	
Cost		
1 January 2021	10,888,896	1,855,285
Additions	105,534	-
Lease modification	(326,861)	-
Write-off	(583,704)	-
Effect of movements in exchange rates	170,888	-
31 December 2021	10,254,753	1,855,285
Additions	396,024	12,535
Lease modification	(32,207)	-
Write-off	(1,306,371)	-
Effect of movements in exchange rates	57,109	-
31 December 2022	9,369,308	1,867,820
Accumulated amortisation		
1 January 2021	1,754,355	152,977
Depreciation for the year	1,724,427	119,266
Write-off	(353,268)	-
31 December 2021	3,125,514	272,243
Depreciation for the year	1,536,883	124,374
Write-off	(1,213,463)	-
31 December 2022	3,448,934	396,617
Allowance for impairment		
1 January 2021	492,000	457,000
31 December 2021	492,000	457,000
31 December 2022	492,000	457,000
Net book value		
31 December 2021	6,637,239	1,126,042
31 December 2022	5,428,374	1,014,203

As at 31 December 2022, the Group recognised impairment loss and disclosed in Note 16.

b) Lease liabilities

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments	6,948,675	8,487,310	958,943	1,109,666
Less: Deferred interest expenses	(1,593,721)	(1,746,767)	(92,930)	(125,364)
Total	5,354,954	6,740,543	866,013	984,302
Less: Portion due within one year	(1,259,845)	(1,516,698)	(141,788)	(130,157)
Lease liabilities - net of current portion	<u>4,095,109</u>	<u>5,223,845</u>	<u>724,225</u>	<u>854,145</u>

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance at beginning of year	6,740,543	8,974,944	984,302	1,102,875
Additions	222,355	100,344	12,535	-
Lease modification	45,031	(83,896)	-	-
Write-off	(179,962)	(625,229)	-	-
Accretion of interest	205,644	279,141	33,088	36,930
Repayments	(1,746,319)	(2,120,615)	(163,912)	(155,503)
Effect of movements in exchange rates	67,662	215,854	-	-
Balance at end of year	<u>5,354,954</u>	<u>6,740,543</u>	<u>866,013</u>	<u>984,302</u>

A maturity analysis of lease payments is disclosed in Note 43 under the liquidity risk.

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	1,536,883	1,724,427	124,374	119,266
Interest expense on lease liabilities	331,781	408,474	33,088	36,930
Expense relating to short-term leases	1,470	1,064	-	-
Expense relating to leases of low-value assets	21,068	16,478	-	-
Expense relating to variable lease payments	744,172	781,989	-	-

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

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

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

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

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

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

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

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

On 22 July 2022, CHBR was granted the right to renew the lease agreement for another 1 years from 16 May 2022 to 15 May 2023 with SRT covering land, buildings and assets of the Hua Hin Railway Hotel. CHBR agreed to pay SRT at the amount agreed between both parties and premise tax at the rate stipulated by law.

26. Other current liabilities

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	2022	2021	2022	2021
Deposits	10,879	1,435	3,639	-
Withholding tax and value added tax payables	167,779	133,968	24,406	16,037
Total	178,658	135,403	28,045	16,037

27. Provision for long-term employee benefits

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

	Consolidated financial statements		(Unit: Thousand Baht)	
			Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Provision for long-term employee benefits				
at beginning of year	299,617	320,897	80,881	86,968
Included in profit or loss:				
Current service cost	24,499	25,106	5,597	5,779
Interest cost	4,594	4,366	922	890
Benefits paid during the year	(29,339)	(50,752)	(12,271)	(12,756)
Provision for long-term employee benefits				
at end of year	<u>299,371</u>	<u>299,617</u>	<u>75,129</u>	<u>80,881</u>

The Group expect to pay Baht 29.7 million of long-term employee benefits during the next year (the Company only: Baht 7.8 million) (2021: Baht 19.8 million (the Company only: Baht 9.3 million)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 11 years (the Company only: 11 years) (2021: 11 years (the Company only: 11 years)).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		(Unit: Percent per annum)	
			Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate	1.59	1.59	1.59	1.59
Salary increase rate	4	4	4	4
Turnover rate	7.64 - 45.84	7.64 - 45.84	7.64 - 45.84	7.64 - 45.84

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

	(Unit: Million Baht)							
	Consolidated				Separate			
	financial statements				financial statements			
	Liability increase (decrease)				Liability increase (decrease)			
	Increase		Decrease		Increase		Decrease	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate (1%)	(24)	(24)	27	28	(4)	(4)	4	4
Salary increase rate (1%)	33	30	(29)	(26)	5	5	(5)	(4)
Turnover rate (10%)	(26)	(24)	35	31	(5)	(4)	6	5

28. Provision for decommissioning

	(Unit: Thousand Baht)	
	Consolidated financial statements	
At 1 January 2021	141,254	
Provision made	25,375	
Provision used	(11,393)	
At 31 December 2021	155,236	
Provision made	21,689	
Provision used	(11,004)	
At 31 December 2022	165,921	

29. Premium on shares

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

30. Statutory reserve

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

31. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Management fee income	234,749	72,352	30,699	5,607
Service income	-	-	67,332	63,367
Insurance claim	-	4,871	-	-
Income from loan guarantee of subsidiaries	-	-	6,298	7,224
Rental and other services income	13,263	18,780	-	-
Subsidy	24,151	12,560	-	-
Sale of used oil	19,107	13,259	-	-
Gain from sale on assets	8,895	60,215	-	-
Others	234,143	135,219	130,690	15,129
Total	<u>534,308</u>	<u>317,256</u>	<u>235,019</u>	<u>91,327</u>

32. Finance income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest income on bank deposits	19,061	13,628	2,441	191
Interest income on loans	160,369	93,270	295,963	234,334
Total	<u>179,430</u>	<u>106,898</u>	<u>298,404</u>	<u>234,525</u>

33. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest expenses on lease liabilities	331,781	408,474	33,088	36,930
Bank overdrafts, loans and debentures	394,521	309,471	343,201	272,211
Interest expenses on borrowings from subsidiaries	-	-	5,203	6,478
Total	726,302	717,945	381,492	315,619

34. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cost of food and beverage used	4,566,470	3,388,961	664,100	67,704
Employee benefit expenses	4,373,814	3,199,748	608,554	424,927
Royalty fee	511,212	409,753	-	-
Management fee	37,727	36,417	99,679	35,973
Land and buildings rental	726,546	799,531	-	-
Depreciation and amortization	3,132,576	3,167,499	306,197	305,498

35. Employee benefit expenses

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Wages and salaries	3,284,824	2,566,656	401,621	316,505
Defined benefit plans	29,093	29,472	6,519	6,669
Defined contribution plans	34,089	29,231	12,979	10,186
Others	1,025,808	574,389	187,435	91,567
Total employee benefit expenses	4,373,814	3,199,748	608,554	424,927

36. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 were made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax				
Current income tax charge	124,992	25,091	-	-
Adjustment in respect of current income tax of previous year	(5,877)	1,146	1,067	(1,229)
Deferred tax				
Relating to origination and reversal of temporary differences	18,734	(103,780)	30,390	32,996
Income tax (income) expenses reported in profit or loss	<u>137,849</u>	<u>(77,543)</u>	<u>31,457</u>	<u>31,767</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax on gain from revaluation on land	-	(2,402,566)	-	(687,163)
Deferred tax for gain (loss) on equity investment designated at fair value through other comprehensive income	(16)	(7)	-	-
Income tax income (expenses) charged to other comprehensive income	<u>(16)</u>	<u>(2,402,573)</u>	<u>-</u>	<u>(687,163)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Gain (loss) before income tax expenses	522,281	(1,834,943)	2,664	(1,180,436)
Applicable tax rate	0 - 20%	0 - 20%	20%	20%
Accounting gain (loss) before tax multiplied by income tax rate	110,456	(366,989)	533	(236,087)
Effect of different tax rates in foreign jurisdictions	(7,712)	(1,514)	-	-
Effect of share of loss of investment in associate and joint ventures	8,713	12,817	-	-
Income not subject to tax	(32,231)	(23,244)	(25,440)	(24,524)
Profits subject to promotional privileges	-	-	-	-
Effects of:				
Non deductible expenses	29,566	13,508	2,150	125,169
Additional expense deduction allowed	(32,690)	(32,531)	(1,889)	(2,147)
Recognised of previously unrecognised tax losses	(39,256)	-	-	-
Others	111	36,413	(2,059)	6,723
Total	(42,269)	17,390	(1,798)	129,745
Recognition of previously unrecognised deferred tax assets during the year	(25,798)	-	-	-
Current year losses for which no deferred tax asset was recognised	130,760	296,705	57,095	163,862
Deferred income tax initial recognition and reversal	(6,088)	(29,410)	-	-
Unrealised losses resulting from intergroup transaction	7,895	15,556	-	-
Adjustment in respect of under (over) record of income tax of prior year	(5,877)	1,146	1,067	(1,229)
Income tax (income) expenses reported in profit or loss	137,849	(77,543)	31,457	31,767

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

(Unit: Thousand Baht)

	Financial statements			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax assets				
Allowance for impairment of non-financial assets	219,106	213,600	133,800	133,800
Allowance for expected credit losses	24,347	18,981	6,239	4,277
Difference on depreciation	130,068	109,502	-	-
Allowance for impairment of investment in associate	41,513	46,413	41,513	46,413
Employee benefit obligation	59,255	59,680	15,026	16,176
Loss carried forward	302,406	278,369	-	-
Leases	137,020	156,106	61,721	65,559
Others	16,333	12,914	-	-
Total	930,048	895,565	258,299	266,225
Deferred tax liability				
Difference on depreciation	(439,890)	(385,541)	(147,930)	(123,671)
Gain from revaluation on land	(2,402,566)	(2,402,566)	(687,163)	(687,163)
Others	(43,636)	(45,311)	-	(1,795)
Total	(2,886,092)	(2,833,418)	(835,093)	(812,629)

(Unit: Thousand Baht)

	Consolidated financial statements			
	Asset		Liability	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Total	930,048	895,565	(2,886,092)	(2,833,418)
Set off of tax	(479,366)	(449,827)	479,366	449,827
Net deferred tax assets (liabilities)	450,682	445,738	(2,406,726)	(2,383,591)

(Unit: Thousand Baht)

	Separate financial statements			
	Asset		Liability	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Total	258,299	266,225	(835,093)	(812,629)
Set off of tax	(258,299)	(266,225)	258,299	266,225
Net deferred tax assets (liabilities)	-	-	(576,794)	(546,404)

As at 31 December 2022, the Group has unused tax losses totalling Baht 3,050 million (2021: Baht 2,865 million), on which deferred tax assets have not been recognised as the Group believe that the future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will be expired by 2023 - 2027.

37. Earning (loss) per share

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

38. Dividends

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

At the annual general meeting of the shareholders of the Company held on 28 April 2022, the shareholders approved a resolution not to pay any dividends for full year 2021 operating performance results.

39. Segment information

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

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

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

The Group is organised into business units based on nature of business. During the current period, the Group has not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Group' operating segments for the years ended 31 December 2022 and 2021, respectively.

(Unit: Million Baht)

	For the years ended 31 December									
	Hotel and related services operation		Food and ice-cream operation		Total		Adjustments and eliminations		Consolidated	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Sales and services income										
- Third parties	5,935	2,069	11,553	9,128	17,488	11,197	-	-	17,488	11,197
- Related parties	10	2	66	51	76	53	(76)	(53)	-	-
Total sales and services income	5,945	2,071	11,619	9,179	17,564	11,250	(76)	(53)	17,488	11,197
Cost of sales and services	(4,255)	(2,493)	(6,268)	(5,119)	(10,523)	(7,612)	29	(1)	(10,494)	(7,613)
Gross profit (loss)	<u>1,690</u>	<u>(422)</u>	<u>5,351</u>	<u>4,060</u>	<u>7,041</u>	<u>3,638</u>	<u>(47)</u>	<u>(54)</u>	<u>6,994</u>	<u>3,584</u>
Unallocated income (expenses):										
Other income and finance income	1,871	1,256	160	214	2,031	1,470	(1,303)	(1,032)	728	438
Selling expenses	(269)	(133)	(434)	(358)	(703)	(491)	119	41	(584)	(450)
Administrative expenses	(2,101)	(2,219)	(4,365)	(3,476)	(6,466)	(5,695)	650	1,070	(5,816)	(4,625)
Share of profit (loss) from investment in associate and joint ventures	(72)	(38)	28	(26)	(44)	(64)	-	-	(44)	(64)
Finance cost	(1,076)	(871)	(60)	(132)	(1,136)	(1,003)	410	285	(726)	(718)
Income tax income (expenses)	(21)	131	(119)	(56)	(140)	75	2	3	(138)	78
Profit (loss) for the year	<u>22</u>	<u>(2,296)</u>	<u>561</u>	<u>226</u>	<u>583</u>	<u>(2,070)</u>	<u>(169)</u>	<u>313</u>	<u>414</u>	<u>(1,757)</u>

Geographic information

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

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

	(Unit: Million Baht)					
	Revenues		Segment results		Total assets	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Thailand	16,139	10,239	550	(2,050)	83,433	78,507
Republic of Maldives	1,425	1,011	34	(20)	3,937	3,987
Eliminations	<u>(76)</u>	<u>(53)</u>	<u>(170)</u>	<u>313</u>	<u>(39,204)</u>	<u>(33,901)</u>
Total	<u>17,488</u>	<u>11,197</u>	<u>414</u>	<u>(1,757)</u>	<u>48,166</u>	<u>48,593</u>

Major customers

For the years 2022 and 2021, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

40. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Contribution are made monthly by the employee at rates ranging from 3 percent to 15 percent of their basic salaries and by the Group at rates ranging from 3 percent to 10 percent of the employees' basis salaries. The fund, which is managed by Krungthai Asset Management Public Co., Ltd., Siam Commercial Bank Asset Management Public Co., Ltd., and Krungsri Asset Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 by the Group amounting to approximately Baht 34 million (2021: Baht 29 million) were recognised as expenses, the Company only: Baht 13 million (2021: Baht 10 million).

41. Commitments and contingent liabilities

41.1 Capital commitments

As at 31 December 2022 and 2021, the Group had capital commitments as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Hotel construction and renovation	2,656	2,886	2	6
Machinery and equipment	20	23	-	-
Total	<u>2,676</u>	<u>2,909</u>	<u>2</u>	<u>6</u>

As at 31 December 2022, the above capital commitment of the Group included the share of capital commitment jointly had with other investors in joint ventures of Baht 2,339 million (2021: Baht 2,617 million).

41.2 Guarantees

41.2.1 Bank guarantees

As at 31 December 2022 and 2021, there were outstanding bank guarantees issued by banks on behalf of the Group, in respect of the normal course of certain performance bonds as required in their business. The details of bank guarantees were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Guarantees for rental	119	171	59	59
Guarantee electricity use, among others	44	44	8	8
Total	<u>163</u>	<u>215</u>	<u>67</u>	<u>67</u>

41.2.2 Related parties guarantees

The Company

As at 31 December 2022, the Company and a director of the Company provided guarantees to various local financial institutions for loans facility of two subsidiaries in the amount of Baht 1,814 million (2021: Baht 2,460 million). As at 31 December 2022, the outstanding balance of these loans are Baht 898 million (2021: Baht 1,218 million).

Subsidiary

As at 31 December 2022, 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 (2021: Baht 60.8 million).

41.3 Other service commitments

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

42. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Financial assets measured at fair value								
Investments available-for-sale securities - equity instruments	1	1	-	-	-	-	1	1
Land	-	-	-	-	14,394	14,394	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	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Financial assets measured at fair value								
Land	-	-	-	-	4,211	4,211	4,211	4,211
Financial assets disclosure of fair value								
Investment properties	-	-	-	-	955	955	955	955

43. Financial instruments

43.1 Financial risk management objectives and policies

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

Credit risk

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

Trade receivables

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

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

Financial instruments and cash deposits

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

Foreign currency risk

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

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

Foreign currency	Consolidated		Separate		Exchange rate as at	
	financial statements		financial statements		31 December	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial liabilities						
US dollar	32	37	32	37	34.56	33.42
Yen	4,500	4,500	4,500	4,500	0.26	0.29

Interest rate risk

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

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date).

(Unit: Million Baht)

	Consolidated financial statements													
	Fixed interest rates				Floating interest rate								Effective interest rate	
	Within 1 year		1-5 year		Within 1 year		1-5 year		Non-interest		Total		(% per annum)	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Financial assets														
Cash and cash equivalents	-	-	-	-	1,359	2,405	-	-	1,778	949	3,137	3,354	0.1 - 1.0	0.1 - 0.5
Trade and other receivables	-	-	-	-	-	-	-	-	1,227	801	1,227	801	-	-
Short-term loans to related parties	15	15	-	-	-	-	-	-	-	-	15	15	2.0	2.0
Other current financial assets	654	500	-	-	-	-	-	-	-	-	654	500	1.2 - 1.8	0.7 - 1.8
Other non-current financial assets	-	-	-	-	-	-	373	202	1	1	374	203	5.3 - 9.8	5.3 - 5.7
	<u>669</u>	<u>515</u>	<u>-</u>	<u>-</u>	<u>1,359</u>	<u>2,405</u>	<u>373</u>	<u>202</u>	<u>3,006</u>	<u>1,751</u>	<u>5,407</u>	<u>4,873</u>		
Financial liabilities														
Bank overdraft and short-term loan from financial institutions	460	1,463	-	-	349	501	-	-	-	-	809	1,964	1.4 - 6.9	1.1 - 3.1
Trade and other payables	-	-	-	-	-	-	-	-	3,460	2,669	3,460	2,669	-	-
Short-term loans from related individual	9	5	-	-	-	-	-	-	-	-	9	5	2.0	2.0
Long-term loans from related individual	-	-	61	61	-	-	-	-	-	-	61	61	3.0	3.0
Long-term loans from financial institutions	-	-	-	-	4,091	2,076	8,103	8,478	-	-	12,194	10,554	0.9 - 6.8	0.9 - 2.7
Debentures	1,091	1,000	1,191	2,100	-	-	-	-	-	-	2,282	3,100	1.1 - 3.4	2.4 - 3.4
Other current financial liabilities	-	-	-	-	-	-	-	-	70	128	70	128	-	-
	<u>1,560</u>	<u>2,468</u>	<u>1,252</u>	<u>2,161</u>	<u>4,440</u>	<u>2,577</u>	<u>8,103</u>	<u>8,478</u>	<u>3,530</u>	<u>2,797</u>	<u>18,885</u>	<u>18,481</u>		

(Unit: Million Baht)

	Separate financial statements													
	Fixed interest rates				Floating interest rate								Effective interest rate	
	Within 1 year		1-5 year		Within 1 year		1-5 year		Non-interest		Total		(% per annum)	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Financial assets														
Cash and cash equivalents	-	-	-	-	-	-	-	-	868	273	868	273	0.1 - 1.0	-
Trade and other receivables	-	-	-	-	-	-	-	-	195	122	195	122	-	-
Dividend receivables	-	-	-	-	-	-	-	-	127	80	127	80	-	-
Long-term loans to related parties	-	-	8,362	8,399	-	-	-	-	-	-	8,362	8,399	3.0	3.0
	-	-	8,362	8,399	-	-	-	-	1,190	475	9,552	8,874		
Financial liabilities														
Bank overdraft and short-term loan from financial institutions	460	1,463	-	-	-	-	-	-	-	-	460	1,463	1.4 - 1.6	1.1 - 2.5
Trade and other payables	-	-	-	-	-	-	-	-	423	265	423	265	-	-
Loans from related parties	300	157	248	-	-	-	-	-	-	-	548	157	0.8 - 3.0	2.0 - 3.0
Long-term loans from financial institutions	-	-	-	-	3,698	1,690	7,577	7,570	-	-	11,275	9,260	0.9 - 6.8	0.9 - 2.4
Debentures	1,000	1,000	1,100	2,100	-	-	-	-	-	-	2,100	3,100	2.4 - 3.4	2.4 - 3.4
Other current financial liabilities	-	-	-	-	-	-	-	-	1	2	1	2	-	-
	1,760	2,620	1,348	2,100	3,698	1,690	7,577	7,570	424	267	14,807	14,247		

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of loans to and loans from affected as at 31 December 2022 and 2021, with all other variables held constant.

Consolidated financial statements				
Currency	2022		2021	
	Increase/ (decrease)	Effect on profit	Increase/ (decrease)	Effect on profit
		before tax		before tax
		increase (decrease)		increase (decrease)
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	1	(56,793)	1	(65,482)
	(1)	56,793	(1)	65,482
US dollar	1	(10,806)	1	(15,425)
	(1)	10,806	(1)	15,425
Yen	1	(9,334)	1	(10,382)
	(1)	9,334	(1)	10,382
Dirham	1	15,915	1	14,405
	(1)	(15,915)	(1)	(14,405)

Separate financial statements				
Currency	2022		2021	
	Increase/ (decrease)	Effect on profit	Increase/ (decrease)	Effect on profit
		before tax		before tax
		increase (decrease)		increase (decrease)
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	1	(52,512)	1	(58,927)
	(1)	52,512	(1)	58,927
US dollar	1	(8,420)	1	(12,728)
	(1)	8,420	(1)	12,728
Yen	1	(9,334)	1	(10,382)
	(1)	9,334	(1)	10,382

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

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. Approximately 42% of the Group's debt will mature in less than one year at 31 December 2022 (2021: 35%) (the Company only: 38%, 2021: 30%) based on the carrying value of borrowings reflected in the financial statements. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows

(Unit: Thousand Baht)

	Consolidated financial statement			
	31 December 2022			
	Less than 1 years	1 to 5 years	More than 5 years	Total
Non-derivatives				
Bank overdraft and short-term				
loans from financial institutions	809,036	-	-	809,036
Trade and other payables	3,459,770	-	-	3,459,770
Long-term loans	4,091,223	6,892,160	1,210,665	12,194,048
Debentures	1,090,668	1,190,668	-	2,281,336
Lease liabilities	1,366,161	2,554,260	3,028,254	6,948,675
Total non-derivatives	10,816,858	10,637,088	4,238,919	25,692,865

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

Separate financial statement				
31 December 2022				
	Less than 1 years	1 to 5 years	More than 5 years	Total
Non-derivatives				
Bank overdraft and short-term				
loans from financial institutions	460,000	-	-	460,000
Trade and other payables	422,687	-	-	422,687
Long-term loans	3,697,959	6,394,976	1,182,249	11,275,184
Debentures	1,000,000	1,100,000	-	2,100,000
Lease liabilities	170,877	780,095	7,971	958,943
Total non-derivatives	5,751,523	8,275,071	1,190,220	15,216,814

(Unit: Thousand Baht)

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

43.2 Fair values of financial instruments

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

44. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2022, the Group's debt-to-equity ratio was 1.55:1 (2021: 1.64:1) and the Company's was 2.54:1 (2021: 2.47:1).

45. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2023.