



CENTARA
HOTELS & RESORTS



CENTRAL PLAZA HOTEL
PUBLIC COMPANY LIMITED

ANNUAL REPORT

2017



AWARDS



Best in Travel Awards 2017



People's Choice Awards 2017



Thailand Tourism Awards 2017



TUI Top Quality Awards 2017

CENTARA HOTELS & RESORTS

- Thailand Top corporate Brand Value 2017
- Best in Travel 2017 by Smart Travel Asia in Best hotel brands
- Ctrip Award 2017 Strategic partner



Thailand Top corporate Brand Value 2017



Ctrip Award 2017

CENTARA GRAND & BANGKOK CONVENTION CENTRE AT CENTRALWORLD

- Best in Travel 2017 by Smart Travel Asia in Hot 25 - Conference Hotels
- Ctrip Travelers' Top Spot - 2017 Best Luxury hotel
- 2017 Top 10 People's Choice Awards Thailand Vote by Chinese Tourists Best City Hotel
- EarthCheck Gold Certified 2017
- Thailand Tatler's Best Restaurant 2017, UNO MAS Restaurant

CENTARA GRAND AT CENTRAL PLAZA LADPRAO BANGKOK

- EarthCheck Silver Certificate 2017
- Thailand Tatler Best Restaurants 2017, Suan Bua Restaurant
- Bangkok's Best Restaurant Awards 2017, Excellence in the Specialty Cuisine Category - Le Danang restaurant, Excellence in the Thai Category - Suan Bua restaurant

CENTARA GRAND BEACH RESORT SAMUI

- Best in Travel 2017 by Smart Travel Asia in Best Family Hotels
- 2017 World Luxury Restaurant Awards Winner / Gourmet Bistro COAST Beach Club & Bistro
- EarthCheck Gold Certified 2017

CENTARA GRAND BEACH RESORT & VILLAS HUA HIN

- Best in Travel 2017 by Smart Travel Asia in Hot 25 - Leisure Hotels
- Thailand Tourism Award 2017 Award of Excellence for Tourist Accommodation, Resort Hotel (80 rooms and over)
- Ctrip Travelers' Top Spot 2017 Best service Hotel
- Ctrip Travelers' Top Spot 2017 Best Resort
- TUI Top Quality Award 2017
- EarthCheck Gold Certified 2017



Thailand Tourism Awards 2017



TripAdvisor Travellers' Choice 2017

CENTARA GRAND MIRAGE BEACH RESORT PATTAYA

- Best in Travel 2017 by Smart Travel Asia in Hot 25 - Family Hotels
- Ctrip Travelers' Top Spot 2017 Best Resort
- EarthCheck Silver Certified 2017
- TripAdvisor Travellers' Choice 2017 No.1 Family Hotel in Thailand, No.12 Family Hotel in Asia.

CENTARA GRAND BEACH RESORT PHUKET

- Best in Travel 2017 by Smart Travel Asia in Hot 25 - Family Hotels
- EarthCheck Silver Certified 2017
- World Luxury Spa Awards 2017 Regional Winners South East Asia /Luxury Beauty Spa

CENTARA GRAND BEACH RESORT & VILLAS KRABI

- Skål 2017 Sustainable Tourism Awards
- Thailand Tourism Standard by Department of Tourism 2017
- The Luxury Travel Guide Award Luxury Hotel & Spa of the Year 2017
- EarthCheck Gold Certified 2017

CENTARA GRAND ISLAND RESORT & SPA MALDIVES

- EarthCheck Silver Certified 2017

CENTARA VILLAS SAMUI

- EarthCheck Silver Certificate 2017

CENTARA VILLAS PHUKET

- EarthCheck Silver Certificate 2017

CENTARA KATA RESORT PHUKET

- EarthCheck Silver Certificate 2017
- TripAdvisor Travellers' Choice 2017 - No.12 Family Hotel in Thailand

CENTARA KARON RESORT PHUKET

- EarthCheck Gold Certified 2017

CENTARA HOTEL HAT YAI

- EarthCheck Silver Certificate 2017

CENTARA ANDA DHEVI RESORT & SPA KRABI

- EarthCheck Bronze Certified 2017

CENTARA NOVA HOTEL & SPA PATTAYA

- TripAdvisor 2017 Certificate of Excellence

CENTARA PATTAYA HOTEL

- TripAdvisor 2017 Certificate of Excellence

CENTARA KOH CHANG TROPICANA RESORT

- TripAdvisor 2017 Certificate of Excellence

CENTARA SEAVIEW RESORT KHAO LAK

- TripAdvisor Travellers' Choice 2017 - No.10 Family Hotel in Thailand

CENTARA RAS FUSHI RESORT & SPA MALDIVES

- EarthCheck Silver Certified 2017
- World Luxury Spa Awards 2017 Regional Winners Indian Ocean Islands/Luxury Resort Spa

CENTRA BY CENTARA GOVERNMENT COMPLEX HOTEL & CONVENTION CENTRE CHEANG WATTHANA

- TripAdvisor 2017 Certificate of Excellence

CENTARA FAMILY HOTEL BUSINESS



Centara Grand & Bangkok Convention Centre at CentralWorld



Centara Grand at Central Plaza Ladprao Bangkok



Centara Grand Beach Resort & Villas Hua Hin



Centara Grand Mirage Beach Resort Pattaya



Centara Grand Beach Resort Phuket



Centara Grand Beach Resort Samui



Centara Grand Beach Resort & Villas Krabi



Centara Grand Phratamnak Pattaya



Centara Grand Island Resort & Spa Maldives



Centara Villas Samui



Centara Villas Phuket



Centara Kata Resort Phuket



Centara Karon Resort Phuket



Centara Mae Sot Hill Resort



Centara Chaan Talay Resort & Villas Trat



Centara Hotel Hat Yai



Centara Watergate Pavillion Hotel Bangkok



Centara Hotel & Convention Centre Udon Thani



Centara Anda Dhevi Resort & Spa Krabi



Centara Pattaya Hotel



Centara Q Resort Rayong



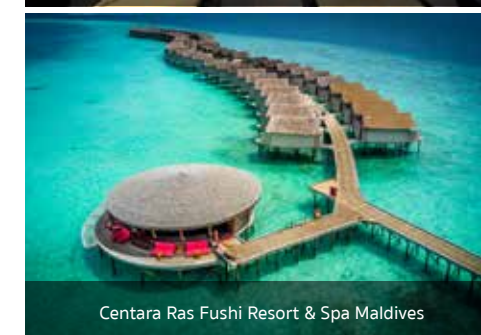
Centara Koh Chang Tropicana Resort



Centara Seaview Resort Khao Lak



Centara Nova Hotel & Spa Pattaya



Centara Ras Fushi Resort & Spa Maldives



Centara Ceysands Resort & Spa Sri Lanka



Centara Sandy Beach Resort Danang



Centara Muscat Hotel Oman



Waterfront Suites Phuket by Centara



Khum Phaya Resort & Spa, Centara Boutique Collection



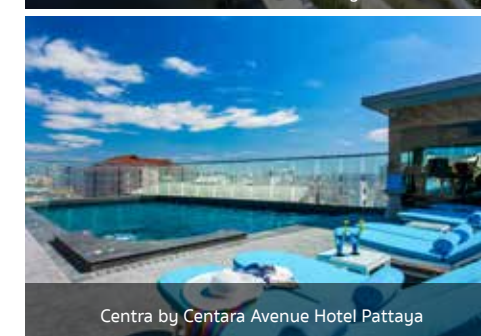
Centra by Centara Government Complex Hotel & Convention Centre Cheang Watthana



Centra by Centara Coconut Beach Resort Samui



Centra by Centara Maris Resort Jomtien



Centra by Centara Avenue Hotel Pattaya



Centra by Centara Phu Pano Resort Krabi



Cosi Samui Chaweng Beach



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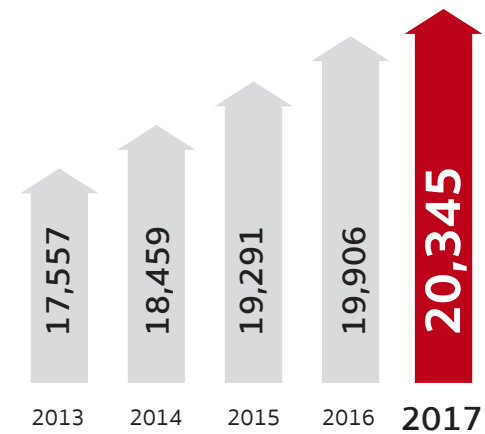
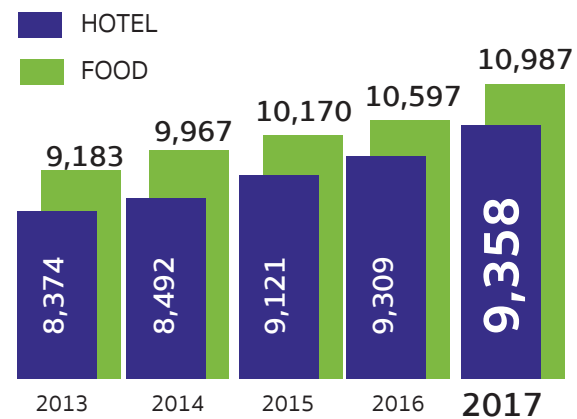
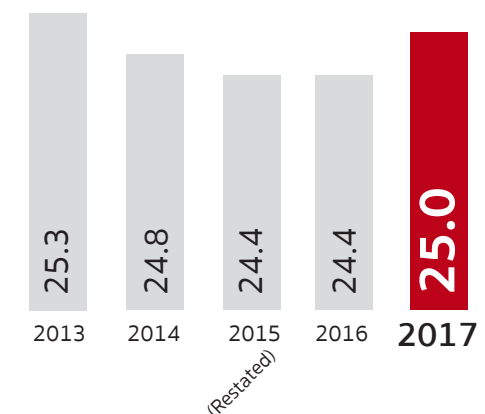
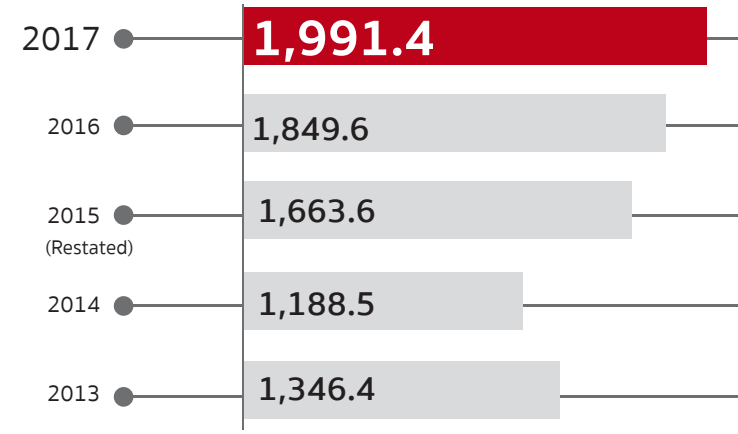
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FINANCIAL STATEMENTS

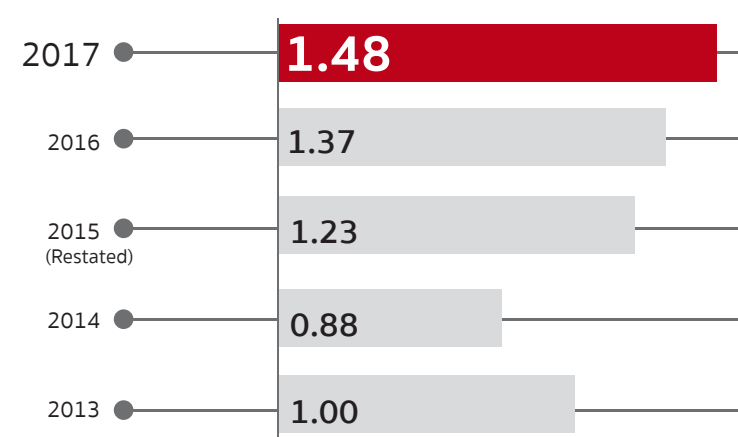
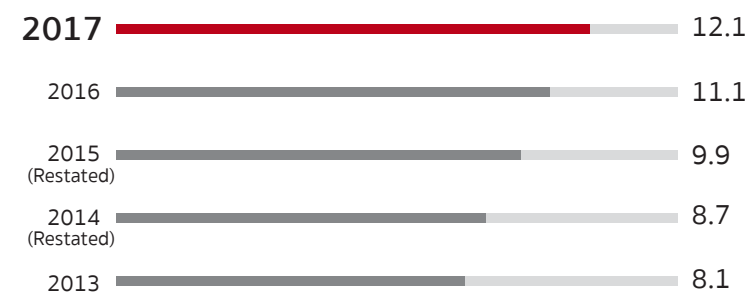
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TOTAL CONSOLIDATED REVENUE
(Baht Millions)HOTEL AND FOOD REVENUE
(Baht Millions)TOTAL CONSOLIDATED ASSETS
(Baht Billions)NET PROFIT (LOSS) AFTER TAX
(Baht Millions)

2017 Extra - Ordinary loss totaling Baht 64.9 million*
 2016 Extra - Ordinary loss totaling Baht 1.8 million*
 2015 Extra - Ordinary loss totaling Baht 102.2 million*
 2014 Extra - Ordinary gain totaling Baht 33.7 million*
 2013 Extra - Ordinary loss totaling Baht 12.4 million*

EARNINGS (LOSS) PER SHARE
(Baht)SHAREHOLDERS EQUITY
(Baht Billions)

FINANCIAL HIGHLIGHTS

(Unit : Million Baht)

	2017		2016		2015	
	Consolidated	Separated	Consolidated	Separated	Consolidated	Separated
Operating Results						
Revenues from sales	19,814.4	2,235.3	19,448.2	2,157.9	18,822.7	2,203.3
Total revenues	20,345.3	3,535.0	19,906.2	3,438.3	19,291.4	3,614.2
Gross profit	11,167.8	1,326.8	10,863.0	1,263.9	10,563.4	1,282.7
Earnings before interest expenses and income tax	2,757.4	1,151.5	2,635.1	1,207.7	2,614.4	1,418.2
Net profit	1,991.4	946.5	1,849.6	962.9	1,633.6	1,095.8

Financial Position

Total assets	25,037.3	15,221.0	24,396.8	14,690.4	24,443.5	14,360.5
Total liabilities	12,978.9	8,329.3	13,279.5	8,002.8	14,522.7	7,960.9
Interest bearing debts ⁽¹⁾	6,965.2	6,747.5	7,767.6	6,410.3	8,698.6	6,277.0
Shareholders' equity	12,058.4	6,891.6	11,117.3	6,687.6	9,920.8	6,399.6
Retained earnings ⁽²⁾	9,101.2	4,571.6	7,852.3	4,367.6	6,677.6	4,079.6
Weighted Average Number of ordinary shares (million shares)	1,350	1,350	1,350	1,350	1,350	1,350

Key Financial Ratios

Net profit margin (%) ^{(3), (4)}	10.1%	3.0%	9.3%	8.1%	9.0%	15.0%
Return on assets (%) ⁽⁴⁾	8.2%	6.2%	7.6%	6.6%	7.1%	7.6%
Return on equity (%) ⁽⁴⁾	17.1%	13.7%	16.7%	14.4%	17.5%	17.1%
Interest bearing debts / Equity (times)	0.6	1.0	0.7	1.0	0.9	1.0
Total liabilities / Equity (times)	1.1	1.2	1.2	1.2	1.5	1.2
Earnings per share (Baht)	1.48	0.70	1.37	0.71	1.23	0.81
Dividend per share (Baht)	n/a	TBA	n/a	0.55	n/a	0.50
Book value per share (Baht)	8.93	5.10	8.24	4.95	7.35	4.74

(1) Interest bearing debts in Consolidated and Separated financial statements include loans from related parties.

(2) Retained earnings include appropriated retained earnings for legal reserve.

(3) Net profit margin in Separated financial statements exclude dividend income.

(4) Net profit margin, Return of assets and Return on equity in Consolidated financial statements were excluded extra-ordinary items as follows:

FY/2017 - extra-loss from investment in property fund accounted for equity method totaling Baht 64.9 million.

FY/2016 - extra-loss from investment in property fund accounted for equity method totaling Baht 1.8 million.

FY/2015 - extra-loss from investment in property fund accounted for equity method totaling Baht 102.2 million.

FY/2014 - extra-loss from investment in property fund accounted for equity method and gain from business acquisition and gain on re-measuring to fair value of investments totaling Baht 33.7 million.

FY/2013 - extra-loss from investment in property fund accounted for equity method totaling Baht 12.4 million.

FY/2012 - loss from guarantee provision, extra-loss from investment in property fund accounted for equity method and gain from business acquisition and gain on re-measuring to fair value of investments totaling Baht 632.0 million.

* Detail As Shown in ANALYSIS AND EXPLANATION OF THE FINANCIAL STATUS and OPERATION RESULT SECTION



MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present this Annual Report of Central Plaza Hotel Plc for fiscal year ending 31st December 2017. The Company again enjoyed a largely successful year with record revenues totalling Baht 20,345 million and record net profit of Baht 1,991 million, as we set the stage for the next five years, during which we expect to leverage our strengths, improve our capabilities, and double revenue.

Thailand began 2017 still under the sombre after-effects of our late King's passing, but the country remains an immensely popular and resilient tourist and business destination. The year ended with record arrivals into Thailand and thanks to the buoyancy of several markets such as China and India to name but a few, the powerful engine of Asian travel demand should continue to drive growth into the future, despite headwinds from Brexit and a strengthening Baht.

2017 saw year-on-year revenue growth, albeit at a slower rate than anticipated, and the growth was driven purely by room revenue. Our MICE business was softer than expected from the mourning period effects in early 2017, but among the greatest challenges we faced over the course of the year was the additional competition and changing travel patterns from key markets, which put pressure on our business in the Maldives.

Near the end of 2017 we announced an ambitious, five-year strategic plan. It focuses on development and expansion, based on our four core strengths: a culture of Thai hospitality; a variety of formats and destinations to serve growing travel segments; recognised excellence in spa and cuisine; and an affinity for families. This core is what differentiates us from our competitors; it defines our brand.

Over these next five years, we aim to do much more than merely open more properties. We will innovate with new formats, upgrade our infrastructure to improve customer convenience and business efficiency, and become a more widely-known brand altogether.

Announcements we made in 2017 evidence our earnestness in pursuing this plan. We opened a new hotel in Oman and rubber-stamped our joint venture deal with UAE-based property developer Nakheel for a 600-room family theme resort on Dubai's Deira Island. We signed a long-term lease that puts us in the owner role for the Centra by Centara Government Complex Hotel & Convention Centre in Chaeng Watthana and we launched COSI, our exciting new affordable lifestyle hotel brand. We also made significant investments in technology upgrades and added

experienced senior executives to our management team.

In our restaurant business, Central Restaurants Group Co., Ltd (CRG) has demonstrated continuous growth and strength in its position as one of the restaurant business leaders in Thailand. New models have been devised focusing on more accessibility to consumers such as KFC Drive Thru 24 hours, Coffee Corner at Mister Donut and Auntie Anne's Food Truck. At the end of 2017, CRG had added 99 new stores including Food Trucks and Kitchen Hubs, presently has 889 branches in total registering growth of approximately 7 percent over 2016.

In order to sustain its long-term growth, CRG continued to expand new brands in both Bangkok and other provinces. We also focus the emphasis to achieve our goals in a responsible and sustainable manner to support the long term ambition of our business and stakeholders.

None of these accomplishments would have been possible without the support of our shareholders, business partners, suppliers, and all the employees of the Company. Our exciting future will not be possible without your continuing support.

(Mr. Suthikiati Chirathivat)
Chairman of the Board

BOARD OF DIRECTORS

CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED

**Mr. Suthiporn Chirathivat**

Honorary Advisor of Board Committee

**Khunying Suchitra Mongkolkiti**

Honorary Advisor of Board Committee

**Professor Viroj Lowhaphandu**

Honorary Advisor of Board Committee

**Mr. Sudhisak Chirathivat**

Director

**Mr. Sudhitham Chirathivat**

- Director
- Member of Nomination and Compensation Committee
- Member of Risk Management and Corporate Governance Committee

**Mr. Prin Chirathivat**

- Director
- Member of Nomination and Compensation Committee
- Member of Risk Management and Corporate Governance Committee

**Mr. Suthikiati Chirathivat**

Chairman of The Board

**Mr. Suthichai Chirathivat**

Vice Chairman

**Mr. Thiraguth Chirathivat**

- Chief Executive Officer
- Member of Risk Management and Corporate Governance Committee

**Mr. Bhisit Kuslasayanon**

- Independent Director
- Chairman of Audit Committee
- Member of Nomination and Compensation Committee

**Dr. Chanvitaya Suvarnapunya**

- Independent Director
- Chairman of Nomination and Compensation Committee
- Member of Audit Committee

**Mr. Vichien Tejapaibul**

- Independent Director
- Member of Audit Committee
- Member of Nomination and Compensation Committee

**Mr. Gerd Kurt Steeb**

Independent Director

An aerial photograph of a tropical resort. On the left, a cluster of overwater bungalows with thatched roofs is connected to a sandy beach by a long wooden walkway. The water is a vibrant turquoise. To the right, a large, kidney-shaped swimming pool is surrounded by palm trees and lounge chairs. A small thatched hut sits on the beach near the pool. In the foreground, a circular stone structure with a metal grate on top is partially submerged in the water. The sky is blue with scattered white clouds.

HOTEL BUSINESS OVERVIEW



MESSAGE FROM CHIEF EXECUTIVE OFFICER

CENTARA HOTELS & RESORTS

I am encouraged by the Company's strength and progress. I am excited about our future.

Thailand's record 35 million arrivals in 2017 showed the resilience of its tourism market. It was also a sign of the continuing increase in demand from China. For Centara, these factors helped offset increased competitive pressure on our business in the Maldives, and a slow start to the year when the mourning period dampened demand from the MICE sector in Thailand. In 2017, Centara Hotels & Resorts achieved record revenues of Baht 9,358 million and record net profit of Baht 1,286 million.

Centara saw double digit growth from China and India, a rebound from Russia, and healthy demand from Korea, Europe and Australia. This, plus domestic tourism, contributed to our increase in average room rate, occupancy, and room revenue.

Our new five-year strategic plan is a good blueprint for addressing our challenges and exploiting the many opportunities in front of us. Development and expansion are key to this plan. So I am pleased to report substantial progress on this front.

In 2017 we opened our first hotel in the Middle East, in Oman. We signed a long-term lease for the Centra by Centara Government Complex Hotel & Convention Centre Chaeng Watthana. And in December we opened our first COSI hotel, on Samui. This new brand is a complete rethink of what a hotel should be, for a growing segment of travellers who love freedom, flexibility, and the digital lifestyle. Our first guests tell us they love this place. We plan to open 39 more of them.

In 2018 we will open a new property in the West Bay district of Doha, Qatar, followed next year by a new luxury branded hotel in the same city. Next year we also plan openings in Laos, Cambodia, China, Indonesia, Cuba and the Maldives, with our first Dubai hotel opening in 2020.

In sum, the Company today has 58 properties in operation or under development. Our footprint stretches from China and Southeast Asia, across the Indian Ocean to the Middle East and our expansion will see us doubling the number of properties in the portfolio over the next five years.

In October we appointed Mr. Markland Blaiklock as Deputy CEO to help steer this expansion and turn Centara into a more widely recognised and acclaimed international hotel brand. In December we signed an agreement to upgrade our Property

Management and Revenue Management Systems partnering with leading providers Opera and IDEaS respectively. This investment will give our people better tools to run our business more efficiently and profitably.

Over the past year we received positive recognition from the travel industry, academics and guests. Chulalongkorn's School of Business recognised Centara for the top brand values in Thailand's travel and tourism sector. SmartTravelAsia listed us among its Top 10 Asian Hotel Brands whilst TripAdvisor ranked three of our hotels among the top 10 in Thailand for families, with Centara Grand Mirage Beach Resort Pattaya #1.

Finally, we work to be a good corporate citizen. Our contributions to local communities are too many to list, but one accomplishment I am particularly proud of is the recent EarthCheck Gold certification of five more Centara properties, bringing the total to 15. These certifications require years of continuous monitoring; they show our commitment to reduce the carbon footprint of our properties and improve the environment.

These are exciting times for our Company. I am encouraged by the plans we have made and the momentum we have built to face the challenges ahead. To our people, our stakeholders and business partners, I am grateful for your support. To our customers, we appreciate your loyalty and we look forward to serving you wherever you travel.

(Mr. Thirayuth Chirathivat)
Chief Executive Officer
Centara Hotels & Resorts



HOTEL BUSINESS GROUP HISTORY



ABOUT CENTARA HOTELS & RESORTS

Centara Hotels & Resorts is a leading Thailand-based hotel chain. The company is owned by Central Plaza Hotel Public Company Limited, which was founded in 1980. Initially the company operated under the brand name of Central Hotels & Resorts until rebranding as Centara Hotels & Resorts in 2007.

Central Plaza Hotel Pcl is a division of Thailand's largest retail conglomerate, Central Group, which is owned by the Chirathivat family.

Centara Hotels & Resorts currently has 58 hotels and resorts in 12 countries, either open or in the construction phase. The properties cover all the main tourism destinations in Thailand and overseas which located at key destinations in Vietnam, Indonesia, Laos, Cambodia, Sri Lanka, Maldives, China, Qatar, Oman, UAE and Cuba.

Central Plaza Hotel Plc has received a Royal Warrant of Appointment from His Majesty King Bhumibol Adulyadej, the first hotel company in Thailand to receive this honour.

HISTORY

Centara Hotels & Resorts has its origins in a venture that was begun late in the 1970s by Central Group at a large plot of land in Bangkok's Chatuchak district. The company was aiming to create a first for Thailand, with a megamall, a five-star hotel, and a convention centre. With the Thai economy having been in some turmoil during most of the decade, as indeed had the world economy, the venture was viewed as being a considerable risk.

The hotel and convention centre comprised a significant portion of the massive total project that revolved around the Central Plaza shopping complex, a project championed by Samrit, the oldest brother of the Chirathivat family. Construction of the entire project was being carried out in near simultaneous fashion, and the success of each element was inextricably interconnected.

By this period, Central had become an increasingly familiar retail name with Thai consumers, and shoppers could choose from five Central Department Store branches in Bangkok - Wang Burapar, Rachaprasong, Silom, Chidlom and Lad Ya.

Elsewhere in the city, small shops were still pervasive, and this was especially the case with the Ladprao district, a growing residential and business suburb on the northern side of Bangkok. For the Chirathivat family, the new Ladprao shopping mall was a bold bet that the city's shoppers would embrace an entirely new retail model.

Construction of a hotel with a minimum of 600 rooms, plus a convention centre, had been part of the terms when purchasing the land. This represented a move in a challenging new direction for the Chirathivat family, who had no experience in hotels or convention centres. They did however have confidence that the tourism sector was on its way to becoming one of the country's largest revenue earners.

The Chirathivat family founded Central Plaza Hotel Plc to handle this project, and the doors opened for the first time at what was initially the Hyatt Central Plaza & Bangkok Convention Centre on 23 April 1983. The name of the hotel was later changed to the Sofitel Centara Grand Bangkok, and was rebranded to its present name of Centara Grand at Central Plaza Ladprao Bangkok on 1 January 2012.

In 1986 the family, urged by the fifth sibling, Suthikiati Chirathivat, decided to expand its hotel interests by acquiring the Railway Hotel in Hua Hin, which was being offered for leasehold tender by the State Railway.

The Railway Hotel was steeped in history, having originally opened in October 1922 when the newly laid railway line from Bangkok to Malaysia had turned the village of Hua Hin into Thailand's first beach resort.

Hua Hin had become a preferred destination for the Thai royal family and the country's aristocracy, and the hotel was an elegant architectural achievement regarded as one of the classic hotels of Asia. That gave Suthikiati a reason to believe Central Group should pursue the bid. He was convinced the company was capable of doing what was needed to restore the hotel to its heyday.

With the bid a success, the process of renovating the Railway Hotel began. Today branded as Centara Grand Beach Resort & Villas Hua Hin, and still with the elegance of the railway era, the lovely old property is

a member of the Leading Hotels of the World, while Hua Hin itself has become one of Thailand's preferred tourism destinations for Thai and foreign visitors alike, noted for its air of quiet charm.

By the early 1990s, tourism was generating enormous demand for hotel rooms in Thailand, and the company decided on further expansion.

One of the most dramatic developments was the five-star hotel opened at Chaweng Beach on the island of Samui in 1995. Samui had until then been primarily a backpacker destination, but the hotel, now known as Centara Grand Beach Resort Samui, was one of the main catalysts for change. Occupying a prime position at Chaweng Beach, the hotel is now one of Samui's most successful and has been followed by two other Centara resorts on the island, Centara Villas Samui, and Centra by Centara Coconut Beach Resort Samui.

Not only was Central Group willing to invest in other hotels, there were hotel owners viewing the success of the group and wondering if the company could manage their properties. The group had progressed until this time as Central Hotels & Resorts, and had been a hotel-owning company. As a hotel management company, now contemplating expansion through the acquisition of management contracts from other owners, the name "Central" could be considered misleading, especially if applied to secluded resorts. In 2007 the decision was made to change Central Hotels & Resorts to Centara Hotels & Resorts.

Centara Hotels & Resorts has in recent years pursued an asset-light expansion strategy through acquiring management contracts from other property owners in Thailand and overseas. The company also acquires ownership of other properties when suitable opportunities arise.


Late in 2009, Centara opened its first overseas hotel, the five-star Centara Grand Island Resort & Spa Maldives which proved to be an immediate success, and Centara has since committed to strategic expansion in the Indian Ocean region, as well as the ASEAN region, China and the Middle East, whilst continuing to add to its portfolio in Thailand.

With Centara's loyalty programme, CentaraThe1Card, members earn points when staying at designated properties in Thailand and overseas, as well as when dining at Centara's fabulous array of restaurant outlets, or indulging at the award-winning spa facilities. The points are then redeemed for free room nights at Centara's hotels and resorts, with no blackout periods, throughout the year. Members earn double points when booking direct at centarahotelsresorts.com, fast-tracking through the Silver, Gold and Platinum Elite tiers. Members also receive a guaranteed 10% off the best available online rates making booking direct with Centara the only way to stay.

The long anticipated launch of Centara's newest brand, COSI Hotels, with the opening of the 150-room COSI Samui Chaweng. COSI Hotels is an affordable lifestyle brand for the modern, tech savvy traveller. Centara Hotels & Resorts expects to have more hotels operating in the Maldives and next year will also see the opening of its first resort in China.

Operating properties are in Thailand, Vietnam, Sri Lanka, Oman and the Maldives with development underway for hotels and resorts in these markets as well as additional new markets including Laos, Indonesia, Qatar, UAE, China, Cuba and Turkey.

GROUP HISTORY



1983

- Hyatt Central Plaza, Bangkok and Bangkok Convention Centre officially opened



1986

- HRH. Princess Somsawali graciously presided over the grand opening ceremony.
- Opened and fully-renovated Sofitel Central Hua Hin Resort



2007

- In March, the board approved name change for the Company's hotel division to CENTARA HOTELS AND RESORTS.
- Opened Bangkok Convention Centre at Centara Grand at CentralWorld.



2009

- Centara Grand Mirage Beach Resort Pattaya a first themed hotel in Thailand, 5-star property on Wong Amat Beach had its Grand Opening on November 3.
- The Centara Grand Island Resort Maldives opened its mainly over water villas being the first overseas property of Centara Hotels & Resorts.



2013

- Opened the second owned hotel in Maldives, Centara Ras Fushi Resort & Spa Maldives



2014

- Central Plaza Hotel Plc has received a Royal Warrant of Appointment from His Majesty King Bhumibol Adulyadej, the first hotel company in Thailand to receive this honour.



2015

- Reopened managed hotel after an extensive renovation plan in Rayong



2016

- Opened Centra by Centara Maris Resort Jomtien
- Opened Centra by Centara Phu Pano Resort Krabi

1983	Hyatt Central Plaza, Bangkok and Bangkok Convention Centre officially opened	2006	HRH. Princess Ubonrattana graciously presided over the grand opening ceremony of Central Krabi Bay Resort on November 12, 2006.	2011	Acquired 11 managed hotels & resorts in Thailand
1986	HRH. Princess Somsawali graciously presided over the grand opening ceremony. Opened and fully-renovated Sofitel Central Hua Hin Resort	2007	The board approved name change for the Company's hotel division to CENTARA HOTELS AND RESORTS. Opened Bangkok Convention Centre at Centara Grand at CentralWorld.	2012	Opened Centra Government Complex Hotel & Convention Centre Chaeng Wattana
1988	Entered into Hotel Management Agreement for Central Wong Amat Beach Resort	2008	Centara Grand at CentralWorld and Bangkok Convention Centre (BCC), the new Flagship of the company celebrated its official Grand Opening on December 2 in the presence of HRH Princess Ubonrattana.		Acquired 3 management contracts in Thailand
1990	Listed on Stock Exchange of Thailand				Acquired 2 management contracts in Vietnam and Maldives
1995	Opened Central Sukhontha Hotel, Hat Yai			2013	Opened the second owned hotel in Maldives, Centara Ras Fushi Resort & Spa Maldives
1996	HRH. Princess Somsawali graciously presided over the grand opening ceremony of Central Samui Beach Resort	2009	Centara Grand Mirage Beach Resort Pattaya a first themed hotel in Thailand, 5-star property on Wong Amat Beach had its Grand Opening on November 3. The Centara Grand Island Resort Maldives opened its mainly over water villas being the first overseas property of Centara Hotels & Resorts.		Opened managed hotel in Phang Nga, Centara Seaview Resort Khao Lak
1998	Rebranded the group as Central Hotels & Resorts.				Acquired 8 management contracts in Thailand
1999	Opened Central Karon Village, Phuket				Acquired 2 management contracts in Ethiopia and Qatar
2003	Opening of ZICO's Brazilian Grill and Bar in Samui.	2010	Centara Grand Beach Resort Phuket, 5-star beach resort located at the most secluded area of Karon Beach in Phuket has its soft opening on November 3		Owned and joint venture total 15 hotels and resorts in Thailand and Maldives

2014	Central Plaza Hotel Plc has received a Royal Warrant of Appointment from His Majesty King Bhumibol Adulyadej, the first hotel company in Thailand to receive this honour.
	Rebranded 4 star hotel in Phuket: Centara Blue Marine Resort Phuket
	Opened managed hotel in Pattaya: Centra Avenue Hotel Pattaya
	Acquired 3 management contacts in Thailand
	Acquired 8 management contacts in Oversea (Lao, Indonesia and Oman)
2015	Reopened managed hotel after an extensive renovation plan in Rayong
	Acquired 1 hotel management and rebranding 1 convention centre in Thailand
	Acquired 3 hotel managements in China
	Acquired 4 hotel management agreements in Vietnam, Turkey, Doha and Cuba
	Invested in COSI hotel in Samui
2016	Opened Centra by Centara Maris Resort Jomtien
	Opened Centra by Centara Phu Pano Resort Krabi
	Opened Centara Azure Hotel Pattaya
	Signed 1 hotel management in Thailand
	Signed 1 hotel management in Doha, Qatar
	Investment (JV) 1 hotel in Dubai, United Arab Emirate

2017	Open 1 new hotel in Middle East	
	Centara Muscat Hotel Oman	152 keys
	Open 1 new hotel in Thailand	
	Cosi Samui Chaweng Beach	150 keys
	Signed 1 hotel management in Thailand	254 keys
	Signed 1 hotel management in Maldives	101 keys
	Signed 1 hotel management in Pakse, Laos	162 keys
	Signed 1 hotel management in Phnom Penh, Cambodia	240 keys
	Investment 2 Centara hotels in Maldives	300 keys
	Investment Centra hotel in Bangkok, Thailand	204 keys
	Investment Centara Grand hotel in Samui, Thailand	203 keys
	As end of 2017, we own and operate 16 hotels and resorts in Thailand (14) and Maldives (2) plus 1 COSI hotels in Thailand, 1 Centara in United Arab Emirates and 2 Centara hotels in Maldives in the pipeline	5,309 keys
	For managed business, we operate 21 hotels and resorts in Thailand, Vietnam, Oman and Sri Lanka plus 16 hotels and resorts in pipeline including Thailand, Vietnam, Indonesia, China, Laos, Doha, Maldives, Qatar, Cuba and Cambodia.	6,582 keys
	Total portfolio 58 hotels and resorts	11,891 keys

THAILAND’S TOURISM INDUSTRY OVERVIEW

The overall economic situation in 2017 was heading in a fairly good direction from the beginning of the year because of clearer global economic recovery, while the domestic economy improved when compared with the preceding quarter. Following on from this, the tourism sector recovered and expanded continuously throughout the year.

The number of foreign tourists visiting Thailand was more than expected at approximately 35.4 million, an increase of 8.77 percent, generating revenue from tourism of more than 1.8 trillion baht, an increase of 11.66 percent when compared with 2016. At the same time, figures from domestic tourism showed an increase of more than 5.4 percent, with revenue of approximately 0.93 trillion baht. Total tourism revenues for Thailand were consequently about 2.75 trillion baht, an increase of 9.5 percent.

Ministry of Tourism and Sports analysis reveals that amongst the supporting factors behind this growth were the recovery in tourist arrivals from China and Russia, an increase in the number of Indian tourists from the opening of new flight routes in many cities, and an increase in outbound tourism by Japanese and Koreans who were dissuaded from spending their holidays in South Korea because of the Korean peninsula conflict.

Another positive factor was the removal by the International Civil Aviation Organisation (ICAO) of the red flag on aviation for Thailand on 7 October 2017, enabling airlines to open more new flight routes to Thailand and resulting in flight frequencies being increased and charter flight service operations opened.

The Bank of Thailand during the year analysed tourism industry growth on a quarter-by-quarter basis, and it had already become apparent from the first quarter that numbers were increasing. Mainly this resulted from the increasing number of Chinese tourists, as Chinese tour groups had substantially declined during the suppression of illegal tour conductors, which began in the third quarter of 2016. During this year, 9,805,753 tourists from China were recorded, an increase from the preceding year of about 12 percent, generating revenue for the country of 524,451 million baht, or an increase of around 15.8 percent.

Observation of the incoming Chinese tourists this year revealed that the pattern was moving increasingly to a higher quality, both in the free individual travellers (FIT) and the tour groups categories, an assumption based on overall purchasing power. Partly this is a result of the time extension on the visa fee reduction/exemption measure, and partly the positive effect from the Chinese government prohibition of its citizens travelling to South Korea because of the political problems on the peninsula, which resulted in increasing numbers of Chinese tourists opting to travel to Thailand from March onwards.

Improvement of the tourism industry continued in the second quarter of the year as a result of the increase in direct flights and cancellation of visa fees, while at the same time the hotel business in tourism regions was increasingly competitive in price, particularly in the areas of Koh Samui and Phuket.

Tourism business in the third quarter continued to improve, with the Chinese tourists being the main driving force as this was during the school holiday period in China, and the number of family travellers with high spending power soared. In addition, direct flights from China to the northern and southern provinces were increased, and tourism promotional activities by entrepreneurs in all regions were organised.

Tourism in the last quarter of the year was found to be consistently good, with December accounting for the highest number of foreign visitors. Up to 3.5 million persons arrived, which helped generate revenues of 1.9 billion baht. The surge during this quarter was largely a result of the number and improved quality of the Chinese tourists, and the unlocking of the aviation red flag by the ICAO. Further, retail businesses began increasingly to organise activities at the end of the year, after the Royal Cremation of His Majesty the late King Bhumibol Adulyadej in October.

Although tourism in 2017 was growing well, the hotel business faced higher competition, whether from newly emerged hotels, daily-rented service apartments, and lodgings that were not commercially registered legally, all of which resulted in competition on room rates.

Thailand’s tourism trend for 2018 is expected by the Office of the National Economic and Social Development Board to generate revenue from foreign visitors of up to 2.21 trillion baht. The supporting factors here are the improved global economy and political conditions, travel costs that are still at a low level as a consequence of lower oil prices in global markets and competition in the aviation business, expansion of flight routes of low-cost short-haul airlines and the upgrading of airports to support more flights and tourists, and stability within the country.

Another factor is that Thailand is continually rated and admired as a key tourist destination for visitors from the world over, maintaining a strong and attractive image.

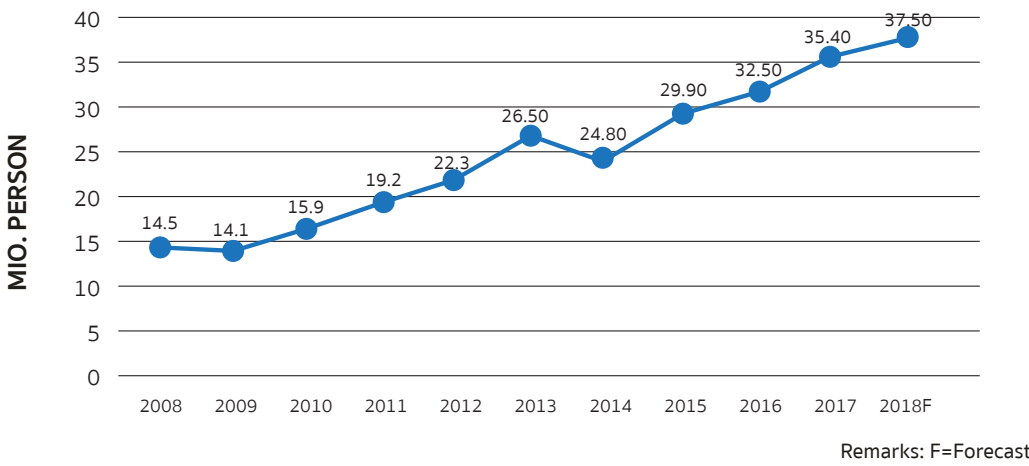
Kasikorn Research Centre has analysed ways in which the state and private sectors have mapped out plans to attract foreign tourists, coupled with the expansions of Thai flight routes to the secondary towns of China. It is anticipated that in 2018 there will be approximately 37.8 million foreign tourists visiting Thailand, which is an expansion of approximately 7.0 percent over the year 2017. This would produce revenues of about 1.99 trillion baht,

NUMBER OF AND REVENUE FROM FOREIGN TOURISTS FROM 2013-2017:

Year (A. D.)	Number of Foreign Tourists		Revenue from Foreign Tourists	
	Number (Persons)	%Δ	Amount (Million Baht)	%Δ
2013	26,546,725	+18.76	1,207,145.82	+22.69
2014	24,809,683	-6.54	1,172,798.17	-2.85
2015	29,881,091	+20.44	1,447,158.05	+23.39
2016	32,529,588	+8.86	1,633,497.55	+12.40
2017	35,381,210	+8.77	1,824,042.35	+11.66

Source: Department of Tourism, Ministry of Tourism and Sports

NUMBER OF FOREIGN TOURISTS FROM 2008-2018F



a growth of 9.6 percent, while the revenue from Thai tourists on domestic sightseeing tours would be about 9.9 billion baht.

Similarly, the Tourism Confidence Index of Tourism Business Operators in Thailand sets expectations that in 2018 there will be a total number of 37.55 million tourists, an increase of 6.10 percent from what was assessed in 2017, and revenue from foreign tourists in the total amount of 2.14 trillion baht, an increase of 16.30 percent.

The Ministry of Tourism and Sports expects that the total revenue from tourism in 2018 will be 2.00 trillion baht, an increase of 9.44 percent, while the revenue from domestic tourism will increase to 1.00 trillion baht, an increase of 8.16 percent. Adding both revenues together, the total amount is 3.00 trillion baht, or an increase of 9.00 percent.

- Reference:**
- Business Trend Report prepared by Macroeconomic and Monetary Policy, Financial Line, Bank of Thailand.
 - Department of Tourism, Ministry of Tourism and Sports.
 - Office of National Economic and Social Development Board.
 - Tourism Confidence Index of Tourism Operator in Thailand under the Reporting and Forecasting Programme on the Behaviours of Tourists and Tourism Confidence of Entrepreneurs in Tourism Industry of Thailand by Tourism Authority of Thailand, Tourism Council of Thailand, Faculty of Economics, Chulalongkorn University.
 - Economic and Tourism Trend, 2018, Kasikorn Research Centre

CENTARA FAMILY

Today, we have 6 different Hotel brands, 2 Spa brands and a loyalty programme within the Centara family



CENTARA GRAND HOTELS & RESORTS

Set in prime city and beachfront locations, all hotels and resorts in the Centara Grand category are five-star, offering outstanding facilities and service to delight our guests. Each Grand hotel has a number of restaurants, a luxurious SPA Cenvaree and a fitness centre, along with sports and games facilities.



CENTARA HOTELS & RESORTS

Enjoying premium settings in city centre locations and beach and island destinations, our core range of hotels and resorts are all of four-star rating and provide a memorable experience in both facilities and service.



CENTARA RESIDENCE & SUITES

Conveniently located to attract the corporate and the leisure long-stay guest, these spacious serviced apartments offer value and provide a moderate level of facilities and services.



SPA CENVAREE / CENSE BY SPA CENVAREE

Experience the touch of Thailand with the award-winning SPA Cenvaree and Cense by SPA Cenvaree. Operated and owned by Centara Hotels & Resorts, spa therapies draw from the innate healing traditions of Thailand, as well as other South East Asian Countries. SPA Cenvaree prides itself on offering guests the highest-standard therapies by the best-trained therapists. Therapists undergo an extensive training program incorporating anatomy, physiology, guest service techniques and over 40 styles of spa treatments.



CENTARA BOUTIQUE COLLECTION

Many people planning a luxury holiday in an exotic setting are looking for a hotel or resort other than the larger properties, somewhere that will reflect their own independence of mind, their own preferences for style and ambience, and their own needs for privacy. Our Boutique Collection is a series of distinctive properties designed to an intimate scale, imparting a residential quality.



CENTRA BY CENTARA

The Centra by Centara brand offers quality, value hotels in the most convenient locations. The service is warm and friendly and the experience and facilities are designed to meet and exceed expectations without over-delivering to a point superfluous to guest needs.



COSI HOTELS

The latest brand from Centara, COSI, offers affordable lifestyle hotels for the tech-savvy, smart-minded traveller. The hotels offer their young-at-heart customers a seamless and efficient stay experience, and always in tune with their local environment, they provide the perfect base from which to explore and experience the surroundings



CENTARA THE1CARD

With Centara's loyalty programme, CentaraThe1Card, members earn points when staying at our designated properties in Thailand and overseas. The more points you earn, the higher you will progress through the membership levels, and the range of benefits available are enhanced at each level. Members also have the privilege of getting 10 % off all our best available online rates. For more information, please visit our website at www.centarathe1card.com

PERFORMANCE HIGHLIGHTS

Centara Hotels & Resorts at the end of 2017 operated 58 owned and managed hotels, with 11,891 rooms under six brands, namely Centara Grand, Centara, Centara Boutique Collection, Centara Residences & Suites, Centra by Centara, and COSI.

Revenue from our hotel business in 2017 was 9,357.9 million baht, which when compared to the revenue earned in 2016 represented an increase of 0.5 percent, and an increase of 13.7 percent in net profit over the previous year.

Our 21 company-owned hotels and resorts generated revenues that were up by 0.03 percent over the previous year to 8,921.8 million baht, while revenues from hotel management fees increased by 0.06 percent to 228 million baht.

Factors that affect the overall performance in general include the number of tourists, management costs, the economic conditions in the countries that are our main markets, supportive measures of tourism in the countries that are our competitors, and factors specific to the location of each hotel.

These factors resulting in higher or lower-than-expected revenues and profits of Centara Hotels & Resorts can be seen starting with Centara Grand & Bangkok Convention Centre at CentralWorld, which earned revenues and profits less than expected in 2017. This year the hotel earned a net profit of 215.6 million baht with 3.5 percent increase in average room rate and 82 percent occupancy rate. However, from November onwards the business picked up dramatically with a record revenue month in December 2017.

This applies also with Centara Grand at Central Plaza Ladprao Bangkok, which continued to be affected by the construction of the BTS Skytrain at Phahonyothin Road. As a result of this there were lower than expected revenues from the restaurants, banquets and rooms. Although the hotel had an occupancy rate slightly higher than the previous year at 81 percent, the average room rate was lower, resulting in total revenues 20 percent lower than budget.

Conversely, Centara Watergate Pavillion Hotel Bangkok found its location favoured by Singaporean, Malaysian and Chinese tourists, resulting in a high occupancy rate at 89.5 percent. The hotel nonetheless had a decrease in food and beverage revenue as this market mix is all about trying out the famous local eateries around the Pratunam area. However, through stringent cost management, the GOP exceeded budget by 15 percent and revenue per available room (RevPar) was 10.5 percent ahead of last year.

As for Centra by Centara Government Complex Hotel & Convention Centre Chaeng Watthana, the hotel continued good performance with higher income and net profit than expected, though the situation was depressed by the great loss of His Majesty the late King Bhumibol Adulyadej, with government activities limited, particularly relating to formal functions. The hotel received the Certificate of Service Excellence 2017 award from TripAdvisor.

The increasing number of Chinese tourists, especially the free individual travellers (FIT) with higher spending power, and the rebound of the Russian market made 2017 a great year for Centara Grand Mirage Beach Resort Pattaya. The resort was able to transform the situation from the previous year to succeed in terms of revenues and profits higher than forecast, and more than the year 2016, with 86 percent occupancy rate. The resort achieved average room rate of 9 percent and room revenue of 10 percent above last year.

Moreover, TripAdvisor awarded Centara Grand Mirage Beach Resort Pattaya as the Best Hotel for Families in Thailand, for the third year in a row.

Along with Centara Grand Mirage Beach Resort Pattaya, Centara Hotels & Resorts has another six properties in Pattaya. This year, Centara Grand Phratamnak Pattaya had a higher and close-to-budget occupancy rate at 78.40 percent. However, the hotel was undergoing renovations to its rooms and public area, while Building B was just 90 percent complete at the end of 2017, so the average room rate was 3.9 percent lower than last year, and revenue and net profit were lower compared to the budget.

Centara Pattaya Hotel and Centara Nova Hotel & Spa Pattaya saw a decrease in their average room rates due to higher competition among hotels in the same group. However, both hotels achieved higher revenues and profits than in the previous year. Centara Azure Hotel Pattaya, which had opened during the last six days of 2016, was able to make a profit, though it was lower than expected while the revenue was higher than expected. The hotel had an occupancy rate of 80.94 percent, which was higher by 13.69 percent than the projected rate, even though there is limitation in car parking space and bus parking due to the city-centre location.

As for the two Centra brand hotels in Pattaya the reports reveal that Centra by Centara Avenue Hotel Pattaya had a higher occupancy rate with almost the same average room rate compared to the previous year. But as the hotel still has problems with very limited car parking space, not a good public area, and does not manage the restaurant by itself, its net profit was lower than expected by 5.48 percent. Centra by Centara Maris Resort Jomtien, however, achieved a creditable performance with revenue from food and beverage that increased by 50 percent compared to 2016, leading to 16 percent revenue and 27 percent profit higher than anticipated.

This year all the hotels on the eastern seaboard have enjoyed a satisfying growth rate. Centara Q Resort Rayong reported revenue in 2017 higher than budget by 9 percent, although the average room rate was lower than expected, but occupancy reached 77 percent which was higher than last year by 19 percent. Similar was Centara Chaa Talay Resort & Villas Trat, which reported positive results from room revenue, total revenue, gross operating profit, average room rate and occupancy that were all higher than the previous year. This was partly due to TAT's 12 Hidden Gems in Thailand campaign, which listed Trat as one of 12 most interesting provinces with well-preserved tourist attractions.

Centara Koh Chang Tropicana Resort finished 2017 with the highest occupancy ever at 77.91 percent and reached highest RevPar compared to the competitors.

For the situation in Hua Hin, Centara Grand Beach Resort & Villas Hua Hin reported slightly higher occupancy rate at 81.3 percent compared to last year, even though the resort had lower-

than-expected revenues and profits due to a newly opened hotel in the same competitive set. The competitor was able to take a fair share of the resort's business, especially the Thai domestic market during weekends. The resort, however, still had the highest revenue per available room that year.

The tourism situation on the Andaman coast starting from Krabi was relatively slow this year due to the number of tourists from key markets such as UK, Germany and Australia continuing to decline. Growth in markets including Chinese, Indian and Malaysian had offset this, but these are value driven markets, with lower spends. In the meantime, there were newly opened hotels with more than 1,000 keys in Ao Nang and Krabi resulting in more intense business competition.

This year Centara Grand Beach Resort & Villas Krabi had lower-than-expected occupancy, revenues and profits but higher average room rate compared to the previous year. Centara Anda Dhevi Resort & Spa Krabi and Centra by Centara Phu Pano Resort Krabi both reported lower-than-expected revenues and profits with lower average room rates than last year. However, Centra by Centara Phu Pano Resort Krabi had a higher than expected occupancy rate and reached the Top 5 of 111 hotels in Ao Nang on TripAdvisor.

Conversely, 2017 was a good year for tourism in Phuket. This was reflected in an 11.3 percent y-o-y growth in Phuket International Airport arrivals, surpassing an estimated 8.4 million incoming passengers. Moreover, as the airport's terminal has undergone expansion and renovation, it is now operating with an additional capacity of five million passengers per year. Phuket also experienced a strong recovery from the Russian tourism market. As a result, Centara Grand Beach Resort Phuket achieved occupancy of 92.38 percent at an average room rate of 5,910.66 baht, which ranked Number 1 in its competitive set in occupancy and rate.

Centara Karon Resort Phuket experienced an increase in average room rate compared to last year and the year before. The hotel had higher-than-expected profits with occupancy rate close to last year, which was 90.8 percent. Centara Kata Resort Phuket had a better overall performance compared to the previous year, with higher-than-expected occupancy rate of 88.12 percent, which was also higher than last year.

Occupancy in 2017 was running high for Centara Villas Phuket at 91.26 percent, which was higher than expected, as well as room revenue, which was also higher than expected. The major shortfall revenue was from food and beverage, due to the number of guests who tended to go out and dine at local restaurants, resulting in lower-than-expected total revenues and profits. Centara Blue Marine Resort & Spa Phuket had satisfying revenues and profits with occupancy rate 72.48 percent, which was higher than expected and higher than the previous year.

This was another year that Centara Seaview Resort Khao Lak had an increase in occupancy rate and average room rate. Its revenues and profits also increased. In addition to the tourism situation in Phuket, that makes the performance for this region quite satisfactory.

This year the hotels on the Gulf of Thailand, especially on Koh Samui, achieved the highest average daily room rate recorded in the country. Centara Grand Beach Resort Samui reported growth in revenues and profits with higher-than-last year average daily room rate. However, Centara Villas Samui had a decrease in occupancy rate, revenues and profits compared to budget, although the average room rate was 9.8 percent higher than last year. This was due to increasing competition among hotels in the same group. Centra by Centara Coconut

Beach Resort Samui was able to lead as number one amongst the competitive set in occupancy, revenue per available room and Revenue Generation Index.

As for hotels in big tourism cities, business at Khum Phaya Resort & Spa, Centara Boutique Collection was affected by the cancellation of Taiwanese direct flights to Chiang Mai, as well as the restriction of group tours from China that enter the country via the Thai-Lao Friendship Bridge between Chiang Khong and Chiang Rai. These facts caused a decrease in the number of Taiwanese and Chinese tourists. As a result, occupancy of the resort was lower than expected by 8.9 percent, but since the average room rate was higher than expected and higher than the previous year, profits were still higher than budget.

Mae Sot's economy improved over the previous year. This was in part due to Thai and Myanmar governments agreeing to use the Temporary Passenger Permit for both peoples to facilitate travel and stay in both the seven days and 14 days periods. Thus, Centara Mae Sot Hill Resort had a higher average room rate compared to the previous year and a satisfying increase in profits.

Centara Hotel & Convention Centre Udon Thani had in 2017 a higher group seminar attendance than last year. The increase in flights to Udon Thani facilitated travelling between Udon Thani and Laos, and seminars in Udon Thani. As a result, the hotel had its occupancy rate increased to 79.6 percent, and revenue per available room, total revenues and profits were also higher than expected and more than those of the previous year.

This year, Centara Hotel Hat Yai had some negative impacts to the business, such as the fluctuations of the Malaysian ringgit, the economy in Malaysia still down, the bombing in Pattani, and bad weather forecasts for Koh Lipe, which decreased bookings by Chinese tourists. All these led to lower-than-expected revenues and profits, which were also lower than the same period last year.

The 2017 performance reports of Centara Hotels & Resorts properties overseas showed that the hotels in the Republic of Maldives were impacted by two airlines from China that ceased operations in the first quarter, which upset the overall outlook of the entire year. Centara Grand Island Resort & Spa Maldives reported lower-than-expected revenues and net profits, but the occupancy rate increased to 88.23 percent, while Centara Ras Fushi Resort & Spa Maldives had lower-than-expected revenues, net profits and occupancy rate of 82.05 percent.

In Vietnam, Centara Sandy Beach Resort Danang demonstrated positive performance in terms of revenues and profits that were higher than estimated and higher than the previous year, as well as the occupancy rate, which was higher than expected. The revenues of Centara Ceysands Resort & Spa Sri Lanka, on the contrary, were not as expected. The average daily room rate was better than last year, though lower than expected.

Centara Muscat Hotel Oman, which opened only in May 2017, reported that the overall business had a good direction, especially the occupancy rate. In this first year, the hotel managed to achieve room revenue close to budget but still needed to adjust the estimate for food and beverage and for gym membership revenue to better reflect the actual market situation. However, the hotel was proud to receive an award from the Ministry Of Education for its outstanding service, even though it was only in the first eight months of opening, which showed its commitment to continue improving services to guests.

BUSINESS DEVELOPMENT

BY CENTARA INTERNATIONAL MANAGEMENT (CIM)

2017 was another successful year for Centara Hotels & Resorts during which we continued our business expansion in the Maldives with the acquisition of a lagoon in order to develop two 150 key 4-star hotels and a management agreement for a 101 key resort. We also continued the development of our group in our region with 2 management contracts in Laos and Cambodia for a total of 354 keys. As for Thailand, we continued to expand our Centara brand by signing a hotel management contract for a 245 key 4-star hotel in Nakhon Si Thammarat, and investing in redeveloping the 203-key Centara Grand Hotel in Samui and in a 204 key Centra Hotel in Bangkok. Centara Hotels & Resorts closed the year with a portfolio of 58 properties in 12 countries: Thailand, Vietnam, Indonesia, Laos, Cambodia, Sri Lanka, Maldives, China, Qatar, Oman, UAE and Cuba.

Out of the said 58 properties, 37 are managed, 21 are owned with 38 operating. Further details regarding the growth of Centara Hotels & Resorts in 2017 in terms of new investment and management agreement projects are set out below:

(A) 4 NEW HOTEL MANAGEMENT PROPERTIES:

Thailand

- Centara Hotel Nakhon Si Thammarat (245 keys)

Overseas

- Centara Grand Muthaafushi Resort & Spa Maldives (101 keys)
- Centara Plumeria Resort Pakse, Laos (162 keys)
- Centara Hotel Phnom Penh, Cambodia (240 keys)

(B) 3 NEW INVESTMENT PROJECTS APPROVED;

- Centara Maldives Lagoon (two resorts for combined 300 keys)
- Centra by Centara Government Complex Hotel & Convention Centre Cheang Watthana (204 keys)
- Centara Grand Beach Resort Samui (203 keys)

For 2018 we will further focus our expansion on AEC countries by way of investments and management agreements. As for the Indian Ocean and the Middle East, we will continue to strengthen our brand presence in existing territories including the Maldives, Sri Lanka, Oman, Qatar and UAE.

GROUP MARKETING

In spite of some mixed market conditions and changes in source market distribution, total revenues still showed marginal year on year growth in 2017 thanks to an increase in room revenues. In a year that saw Thailand tourism arrivals reach new heights however, exceeding 35 million, this 17% year on year increase in arrivals did not translate to a proportionate increase in revenue for the group. It was offset by a slow first quarter for MICE business, with the effects still being felt from the passing of the late king; a shift in guest mix affecting F&B revenues; and new supply increasing competitiveness and driving down rates in the Maldives.

The group continues to focus on ensuring a diverse geographic guest mix to safeguard business performance against any market downturns. In 2017, whilst there were no significant market drops, minor slowdowns in business from traditionally big players such as the UK and Germany were replaced by strong growth from Russia, which continues to rebound; China, whose high growth persists; and sharp increases from markets of growing importance for Centara such as India and South Korea. With the exception of Russia, the Asian markets are driving the growth.

Total revenues for 2017 were Baht 9,357.9 million, on par with 2016, as a result of 1.6% increase in room revenue which came through occupancy of 82.7% (+0.8% vs. 2016) and average room rate of Baht 4,897 million (+1.0% vs. 2016). 2017 ended with RevPar for the group of Baht 4,049 million (+1.9% vs. 2016).

Thailand's upcountry properties saw the highest revenue growth levels at +4% and represented 52% of total revenues. Two notable high achievers were Centara Grand Mirage Pattaya and Centara Grand Beach Resort Phuket where revenues increased by 7% and 10% respectively. The decreases in business on the other hand were caused by a -1% drop in revenues from Bangkok, caused primarily by a 7% fall in convention centre business, an -8% drop from the Maldives, a result reflective of the market and not of Centara's performance as the two properties far outperformed their competitors and the market overall; and a -1% decrease in F&B revenue. The drop in F&B revenue can be attributed partly to the decrease in convention centre business and partly to the significant rise in Chinese guests who spend less time in resorts and spend less than other markets such as the Europeans who they have in part replaced.

The commercial division of Sales, Marketing and Revenue worked hand in hand to drive revenue efficiencies, booking channel optimisation and increased global brand awareness. A focus on bringing in strong revenue management talent for key properties yielded positive results, as reflected in the performance of the Centara Grand properties in Pattaya and Phuket. Further structural changes to the Corporate, Bangkok and Maldives revenue teams will provide a platform for further growth in 2018 and beyond. This organisational change, coupled with the deal signed in December to implement and rollout Opera and lDeaS property and revenue management systems will see Centara well positioned to drive further rate and revenue uplifts and increase business profitability.

In an increasingly competitive marketplace, driving greater brand awareness outside of Thailand was critical to business

success. Centara embarked on three extensive roadshows comprising both media and client events in China, Korea and India where press, agent and partner relationships were built and nurtured. The growth in business from these markets was no coincidence. In terms of brand advertising, there was greater focus on consumer activity than ever before as Centara diversifies its channel mix and seeks to drive more direct business. At the end of 2017, an international consumer PR agency was appointed to support global consumer awareness efforts and this will further improve traction in the B2C channels. This consumer awareness will be vital to the success of the COSI brand, which debuted in Samui in December. Significant brand identity and development work went into this affordable lifestyle hotel concept for a new generation of travellers who want technology, convenience and freedom, and who perform most day to day activities online.

Direct business growth requires not only strong brand recognition amongst the consumer segment but also high performing brand websites. In 2017, there was a continued focus on driving web enhancements and targeted web traffic generation initiatives. Online advertising spend increased and a booking conversion widget was added to the websites. Additionally, improvements were made to mobile accessibility and responsiveness. As a result, brand.com revenues grew by 10% vs. 2016, representing just over 9% of total CHR room revenue and 29% of total online room revenues, both up by one percentage point from prior year. 60% of total website visits came via mobile devices and mobile revenues increased by 63% vs. 2016, representing 17% of total brand.com revenues vs. only 11% in 2016.

Online revenue growth was also supported by Centara's loyalty programme, CentaraThe1Card. Increasing the Centara database, acquiring new customers and growing customer retention through the loyalty programme are core business strategies to drive direct revenues, repeat business, profitability and customer engagement. By the end of 2017, the emailable CentaraThe1Card database reached a size of 800k members (+60% vs. 2016), member revenue increased +15% and repeat guests represented 19% of all guest stays, vs. 17% in 2016. Offering a permanent 10% member discount on all online room rates helped this growth and supported the company's strategy to take share of online business from Online Travel Agents (OTAs).

Overall 2017 was a year of mixed success, in which challenging market conditions were offset by strong sales and marketing initiatives, improved revenue management strategies and a focus on growth markets. In the last quarter of the year, structural changes and systems improvement projects were initiated that will provide Centara with a solid operating platform for growth that will support its five year vision for expansion and growth.

RESTAURANT BUSINESS OVERVIEW





MESSAGE FROM PRESIDENT

CENTRAL RESTAURANTS GROUP
CO., LTD.

Central Restaurants Group Co., Ltd. (CRG) in 2017 remained one of the leaders in Thailand's chain restaurant business. With the focus on operational efficiency, we continued to improve business performance to increase revenues and profits. In 2017; CRG achieved record sales of Baht 10,988 million and record net profit of Baht 705 million. We also organised and developed our management system to improve performance efficiency to support business expansion.

During the past year, CRG added 99 new restaurants, to a total of 889 restaurants. In addition, new store types were continuously developed to later to the rapidly changing lifestyle of customers, such as KFC Drive Thru that is open 24 hours, Coffee Corner at Mister Donut that provides fresh coffee and other beverages aside from donuts, and Auntie Anne's Food Truck, which is ready to provide service to customers anywhere. Furthermore, we have partnered with our allies in directly delivering food from store to home.

For 2018, our way forward is to bring new brands for launching in greater Bangkok and other provinces, and to expand our business overseas with the emphasis on maintaining high product standards, enhancement of employee competency and engagement, and customer experience management. The purpose is to create satisfaction leading to a solid customer base, and to maintain customer loyalty and appreciation towards the services of CRG's brands to be consistent both short and long term.

(Mr. Nath Vongpanich)
President
Central Restaurants Group Co., Ltd.

RESTAURANT BUSINESS GROUP HISTORY



1978

Firstly introduced the **MISTER DONUT** brand to Thai consumers as a pioneer of the QSR business in Thailand.

1984

Became authorised franchisee of **KFC**, the strong and widely accepted international brand.

1998

Entered snack segment in Thailand with the premium soft pretzel brand **AUNTIE ANNE'S** from the USA.

2007

Brought in the new Japanese fast casual restaurant, **PEPPER LUNCH**, to Thailand.

Central Restaurants Group Co., Ltd. (CRG) established in 1978 is one of the leaders in Thailand's chain restaurant industry, with the objective of catering to Thai customers' daily eats provide quality food products and excellent service. We have devoted ourselves to creating quality products while ensuring restaurant decor being fresh and modern; and that the ambience exceeds customer expectation. CRG is above all committed to operating business with a customer-oriented strategy, in which building and maintaining good customer relationships is prioritised through customer relationship management (CRM) with our long-established and successful membership programme.



2010

- Brought **CHABUTON RAMEN**, the "TV Champion Chef's Japanese Ramen Restaurant", into the Thai market.
- Became authorised franchisee of **COLD STONE CREAMERY** from the USA.
- Opened **THE TERRACE**, a Thai restaurant.

2011

- Became authorised franchisee of **YOSHINOYA**, the authentic Japanese rice bowl restaurant.
- Became authorised franchisee of the well-known premium Japanese home cooking style restaurant, **OOTOYA**.

2013

Became authorised franchisee of **TENYA**, the leading tempura and tendon Japanese restaurant from Tokyo.

2014

Became authorised franchisee of **KATSUYA**, the renowned Tonkatsu and Katsudon restaurant.

CRG is thus a franchisee of well known international brands with a long history of over 40 years in the management of the Quick Service Restaurants (QSR) business, has excellent relationships with all its franchisors, with a multi-brand portfolio that covers a variety of food types. As of December 2017, CRG has a total of 889 restaurants nationwide.



RESTAURANT BUSINESS OVERVIEW

BUSINESS AND COMPETITION SITUATION

The restaurant market in Thailand was estimated to have a value of 390-400 billion baht in 2017, with an estimated growth rate of between 2 and 4 percent over the previous year. Between independent foodservice and chain foodservice, the chain foodservice sector captured revenue share of 120-125 billion baht and the independent foodservice sector, with small and medium-sized restaurants as its major players, earned a revenue of 270-275 billion baht.

Competition in the restaurant business has been intensive fiercely with the ever increasing number of new restaurants and food shops resulting in the fragmentation of customers and market share. Nevertheless, the direction of our restaurant business in 2017 showed continual growth due to the behavioural change of customers, and the adoption of technology that supports growth and better management efficiency.

The utilisation of technology and online media enabled business entrepreneurs to reduce costs and gain greater and more specific access to customer base. Hence, both big and small entrepreneurs began to provide their service through online media and applications in order to increase sales and decrease costs. Additionally, the delivery service segment that helps build customer channels and sales velocity continued to grow in 2017.

Such competition brings about new types of restaurant, and products, including more variety of food service for customers.

Thailand's economic situation and consumer confidence improved. In addition, customers tended to reveal behavioural changes with more preference for dining out and being more health consciousness.

Entrepreneurs of chain and independent restaurants were required to adjust their strategies in order to respond to consumers' changing behaviour. New types of restaurant and greater food variety were introduced, including food trucks, entry of famous international brands, healthy-food restaurants, and new menus offered with promotions to stimulate usage frequency.

In addition, good service businesses invest on areas that help support restaurant businesses, such as online medias for food delivery, restaurant reservation through applications, and food blogs. Collaboration with these service providers not only help increase sales of the restaurants but also access provide opportunity to the allies' customer base.

2017 PERFORMANCE REPORT



Thailand's overall economic growth in 2017 showed a promising trend despite registering less than 4% GDP growth. Central Restaurants Group Co., Ltd. (CRG) registered revenues of 10,987 million baht, an increase of 3.7 percent over the previous year. This growth was mainly contributed by branch expansion. CRG at the end of 2017 had 889 stores in total, among which were 99 new stores, representing 7.1 percent growth over 2016. Altogether, CRG owns and manages 11 QSR brands in its portfolio (KFC, Mister Donut, Auntie Anne's, Ootoya, Pepper Lunch and 6 other brands).

Same-Store Sale growth decreased slightly by 0.9 percent, mainly that resulting from the decrease in SSS in Q2, as there was no government stimulus package during period, unlike 2016. Nevertheless, from September 2017, SSS showed good sign of growth trend. CRG achieved net profit of 741.3 million baht in 2017, an increase of 19.5 percent, over the preceding year, driven by efficient cost management, particularly in employee cost as well as efficient procurement segments.

CRG continues to focus on the aggressively expand the group's restaurants as select locations suitable for the target group

of each brand, in order to ensure that CRG's restaurant business are successful, stable, with sustainable profit.

Importance is also placed on the matters of giving and sharing as well as providing social service. In this connection, the company has received awards for excellence in Corporate Social Responsibility (CSR) for its support of the disabled for 4 consecutive years from 2014 to 2017, largely due to the ongoing arrangement of projects and activities to support our special employees. These include:

- Special employee relations: an ongoing activity that was initiated in 2012 with the objective of providing support and development on life quality for special employee groups to enable them to have a good living and to lead quality lives.
- Sign language training: employees are sent to attend sign language training for communicating with special employee group.
- Equality of career progression for all employees.

CENTRAL RESTAURANTS GROUP FAMILY

Today, we have 11 brands under the Central Restaurants Group Co.,Ltd.



MISTER DONUT

Mister Donut is devoted to the continuous creation of new products under efficient marketing communications, constantly reinforcing the strength of the brand. Strategic advertising plans are continuously mapped to reach consumers effectively, and constant branch expansion is undertaken across the country to gain the greatest possible access to consumers. All of these efforts have resulted in Mister Donut's popularity being ranked by Marketeer Research as holding first place in the donut category in Thailand for the year 2016-2017. Moreover, Mister Donut has maintained the highest market share of more than 75 percent over the past 39 years.

Thanks to intensive research and deep consumer analysis, Mister Donut is able to directly respond to consumer needs with the creation of freshly made donuts from our kitchen branches that cover the nation. We are ready to serve our delicious, fresh donuts every day. Throughout the past year, and before that, what Mister Donut has always had in mind is the "Innovative Donut". New products are developed and launched on a continual basis. We have had the Hot Donut campaign that emphasises freshness through more than 200 kitchen branches nationwide. The Pon De Ring Lite donuts are a response to health-conscious customers, with the recipe adjusted by using fibre-rich flour and the sugar content of the topping reduced, when compared to our usual recipe, by 25 percent. This was all done while still retaining the unique flavour, tenderness, and chewiness of the donut.

Towards the end of 2017, the Hello Kitty Donut campaign was rolled out with the all-time favourite Hello Kitty character that came in sweetly colourful donuts ideal for presenting as gifts

during the festive season. Mister Donut took into account social responsibility by making special donuts for sale of which part of the proceeds were donated to the Ramathibodi Foundation for the construction of Chakri Naruebodindra Medical Institute, Faculty of Medicine, Ramathibodi Hospital. Activities like these have a high response from customers and this was yet another very successful campaign. Other than donuts, Mister Donut also responded to the needs of coffee lovers by offering Premium Blend fresh coffee, made from premium coffee seeds giving a concentrated and well-blended taste. The coffee is freshly prepared with fresh milk and served with a special promotion at our Mister Donut Café.

There were many factors during 2017 affecting the revenues and purchasing power of Mister Donut's customer group, resulting in an increase of total system sales above the previous year. Mister Donut also had the addition of 29 new branches across the country, providing a more comprehensive coverage and accessibility to consumers. Renovation was undertaken at some branches for a more modern appearance. There are currently a total of 336 stores covering 75 provinces.

Advertising remains placed on both above the line and below the line segments. During this year focus has been on digital media with communication via digital channels, including news and promotion awareness. We are always ready to quickly communicate with consumers and are constantly in line with global social network trends. Mister Donut has developed its own website at www.misterdonut.co.th and has a continuous presence on social media with Facebook (Mister Donut Thailand), Twitter and Instagram to maintain first place in the hearts of consumers. Mister Donut has also launched promotional campaigns in conjunction with various partners to strengthen our brand perception.



KFC

KFC, the largest QSR brand in Thailand in terms of sale with global popularity, was founded by Colonel Harland Sanders in 1952, and has maintained a firm commitment to offer a delicious fried chicken menu with unique identity and superior quality. The first KFC store in Thailand was established in 1985 at Central Ladprao. Currently, the KFC brand accounts for over 630 stores nationwide, where its brand and franchises are under the management of Yum! Restaurants International (Thailand) Co Ltd. KFC restaurants are managed by three franchisees, of which Central Restaurants Group Co Ltd was the first partner to import the KFC brand into Thailand. KFC stores under the management and operation of Central Restaurants Group cover all regions of the country, and CRG accounts for a total number of 238 KFC stores in Thailand, as of December 2017.

The KFC brand in Thailand has long been in the first rank of QSR brands, and has been growing continuously. CRG has accelerated KFC's growth by opening 22 new stores, divided into 16 general stores and six drive-thru stores, proportionately accounting for 44 percent of the new stores opened in Thailand this year. The company is additionally firmly committed to developing in-store operational systems through personnel and technology by taking into account the optimal satisfactions of the service receivers.

During 2017 the KFC brand received many awards, including No 1 Brand Award in the QSR sector as rated by Marketeer Magazine, the Most Brand Engagement on Social Media Award in Food Retail Group from Thailand's Social Awards 2017; and KFC was placed in the first rank in the Heavy Food Group by Food Tracker.

KFC remains intent on creating and introducing new menus with uniqueness, quality and safety in accordance with world-class standards. We are also committed to developing the quality of our employees in order to give our best and warmest service to customers, both in-store and via our delivery service, which is accessed through Call Centre 1150 and www.kfc.co.th. KFC Thailand news is continually updated on www.kfcthailand.com.



AUNTIE ANNE'S

Auntie Anne's is the leader in the soft pretzel market in Thailand, and strongly retains brand uniqueness under the concept of "Uniquely Delicious". During 2017 there were 17 new Auntie Anne's branches opened, resulting in a total number of 149 branches as the brand expanded to more provincial cities and hospital groups.

During the year, Auntie Anne's operated with the strategy to reach customers under the theme of "Auntie Anne's... Up Your Feeling..." to fulfill happiness anytime at Auntie Anne's. The brand focused on reaching and understanding consumers with the will to be the giver. This concept is to make a fan to become a big fan, a friend to become a fan, and a stranger to become a friend. This was continually undertaken with new products and beverages launched, along with promotional sets such as Cheese Stuffed Pretzel Nuggets, Super Pretzel Pop, Stromboli Pretzel in bite size with thrilling ham and lengthy cheese in eight pieces, a variety menu of freshly blended beverages with healthy raw ingredients such as Fruity Lemonade, and Better Blend and Smoothie as blended glass by glass. An introduction of fresh coffee and green tea lines was made to add more variety to the brand.

Auntie Anne's expanded into new sales channels, including through hospitals, catering, and delivery. Advertisements and public relations via online media were more focused to reach behaviour-changing customers in this digital era. Joint promotions with related business partners expanded our customer base, and the rollout of corporate social responsibility activities among club members helped promote brand loyalty.



OOTOYA

Ootoya in 2017 launched the Grand Menu with the addition and development of main dishes, appetisers, salads, sashimi, desserts and beverages to provide variety for customers. We maintained our distinctive delicacy and taste of the authentic Japanese home cooking restaurant that prepares dishes with care and carefully selected raw ingredients to keep up with the high standards of food and service. Ootoya also launched an exclusive menu presenting yakitori style, or Japanese grilled skewered food, at the CentralWorld and Avenue Thonglor branches.

Best-seller Ootoya branches were renovated during the year. Ootoya now has a total of 44 branches within the country, thereby expanding the customer base. There are plans to increase the number of stores as well as extending the home delivery service to more widely cover both Bangkok and the provincial cities. With respect to the home delivery service, Ootoya developed the Special Party Set Menu and Combo Sets to give variety and value to customers.

In achieving a wider customer base, another effort of the brand is the communication with its customers through advertisements in different channels such as television, BTS Skytrain, signboards, digital advertising signboards, and social media. We also ran mega campaigns by cooperating with major partners such as bank groups and The One Card.



PEPPER LUNCH

Pepper Lunch, the patented hot iron plate menu from Japan was created in 1994 by Kunio Ichinose. The brand is very popular in Japan and in other countries in Asia, including along with Thailand, Korea, China, Taiwan, Singapore, Malaysia, Indonesia, Hong Kong, Philippines, and Vietnam. Currently, there are a total number of more than 300 Pepper Lunch branches.

CRG had foreseen the outstanding characteristics of Pepper Lunch and therefore imported the brand in 2007 to be under its management. The first branch was opened on the 6th floor of CentralWorld in November of the same year. There are currently 32 branches.

The specialty of Pepper Lunch is that all menus are served on the Japanese-patented hot iron plate. There are a variety of menus from which to choose, ranging from pepper rice and steak to pasta. All menus are freshly cooked with quality raw materials and Pepper Lunch's unique ingredients for the special five-sense experience from our every menu so that you can Sizzle It Your Way.

Pepper Lunch this year made an improvement on the main beef menu by using quality beef fed with maize. The beef was 100 percent imported from the US and used in most of the beef menus, such as Pepper Beef Rice and Beef Hot Pot. New menus were added for US beef fans, such as Pepper Jumbo Beef Rice having meat content twice that of the normal menus and beef pastas. Cheesy Omelette, a best-seller, was included in the new grand menu.

Pepper Lunch continues to reinforce its image of being the brand that delivers quality food at a value price, and constantly responds to the needs of teenagers and young adult workers with promotions for students in Student Meal sets and promotions for working persons in Happy Time sets, and many other promotional menus such as promotional Filipino-style Salpicao Pepper Rice.

Creation of the brand image and publicity has been continuously carried on through the joint promotional campaigns with our trading partners, conducting activities with customers through Facebook and Line, and public relations through online media.



OTHER BRANDS

CRG expanded the store number and relocated some branches to better spots to be more profitable. Marketing activities and advertisements have been implemented through various media, particularly in various forms of digital and social media. Product and service patterns have been developed for the brands to be in line with changing consumer lifestyles. Hence, delivery service patterns have been increased. CRG has also developed new products and menus on a continual basis for Chabuton Ramen, Yoshinoya, The Terrace, Cold Stone Creamery, Katsuya and Tenya. With the opening of 18 new stores, the total store number amounts to 96 branches in 2017.

BUSINESS DEVELOPMENT

2017 was a watershed year for retail businesses throughout the world; necessitating adjustments as competition intensified due to e-commerce growth and the consequent change in consumer behaviour. Digital disruption has meant that even operators of large and long-established retail businesses in many countries have announced branch reductions, and many of them have been compelled to close their business. This phenomenon will continue.

Turning to our home country, the Thai retail businesses also face the same challenges, while the impact is not as great as in some other countries. Thai retail businesses have nonetheless grow and continued to expand, both in Bangkok and up-country; in major and in secondary cities. This can be judged by the movements of commercial real estate developers, searching for potential areas throughout the country for the potential development of large shopping malls, with emphasis on mixed-use and “retail-tainment.” In the hypermarket category, new formats have also been developed to expand branches into the secondary cities.

Central Restaurants Group Company Limited (CRG), as one of the restaurant business leaders in Thailand, realigned its resources to increase potential in expanding its number of branches. New models have been devised focusing on more accessibility to consumers, such as trimming down the store size to expand into shopping centres with high rentals, expanding into districts through the use of mobile trucks that stimulate buying and increase brand awareness, and expanding into secondary cities through new hypermarket formats.

Expansion through such a variety of models has resulted in CRG retaining its leadership in the food and beverage restaurant business. In 2017, additional 99 new stores, including Food Trucks and Kitchen Hubs, were added in shopping centres, department stores, large retailers, petrol stations, hospitals and other retail developments across the nation. At the end of the year, this had resulted in a total number of 889 branches across the country, a growth of approximately 7 percent over 2016.

In order to achieve the steady growth of the CRG brands, we focused on branch expansion to cover as much footprint as possible, taking into consideration geography, distribution of community and target customers, as well as our competitors. Careful consideration was given to selecting store locations that are suitable for each food brand, and perhaps more importantly, securing store locations that are more prominent than those of our competitors. Of course, we never lose sight of the needs of our customers, and each new restaurant business has to earn excellent acceptance from consumers.

We continue to increase the number of new channels to grow sales, such as business expansion to digital locations apart from the physical locations to keep pace with the younger consumers. Great importance is given to this as one of our top priorities, and it is included in the company's yearly expansion plan.



A vibrant landscape featuring a lush green field in the foreground, a line of trees on the horizon, and a bright blue sky with wispy white clouds. The text "CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT" is overlaid on the left side of the image.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT



HOTEL BUSINESS

VISION	MISSION
To be the largest international hotel group of Thai origin.	Through the professionalism of Centara Hotels & Resorts and the warmth of its people, provide high quality, international standard hospitality, enriched with Thai traditions, to create memorable experiences and achieve above market performance.

FOOD BUSINESS

VISION	MISSION
Being a leading QSR operator in Thailand with presence in regional markets.	Providing branded quality products and services exceeding customer expectations.

Business Operation Goal

Hotel Business: The strategy on business growth has been designated for a period of five years in order to enable Centara's affiliated hotels and resorts to have significant roles under the business operational frame as follows:

1. Developing business in Southeast Asian, Indian Ocean and Middle East markets and expanding them to East Asia, Africa and the Caribbean.
2. Expanding new business opportunities apart from hotels and resorts in order to raise the level of the service business industry.
3. Developing technology to support service operational processes for the utmost efficiency.

Food Business: Our goal is to become the food business leader by expanding branches of the existing brands to cover areas throughout Thailand and provide choice for customers in Bangkok, its surrounding areas and other provinces; expanding our business overseas with the focus on maintaining the high level of product standard; and regularly developing new products including the addition of new brands to the company's portfolio. Our policy is also to raise employee competency and engagement, as well as customer experience management. The overall purpose is to create satisfaction leading to a solid customer base, and to maintain customer loyalty and appreciation towards the services of CRG's brands to be consistent in both the short and long term.

Corporate Value – "I.C.A.R.E." is under the practical guidelines of Central Group.

Innovation: Create new things – Because we care, we therefore create new things, ensure everything is wide open for every opportunity, and respond always to the challenge of working with more quality and efficiency.

Customer: We care for customers – Because we care, we are therefore completely determined to develop our service excellence by significantly placing emphasis on care for our customers.

Alliance: Whole business group progress – Because we care, we therefore respect the value of the differences and teamwork for the progress of our whole business group.

Relationship: Mental commitment – Because we care, we therefore have heartfelt commitment with our colleagues, partners and societies for sustainable development.

Ethic: Focusing on maintaining ethics – Because we care, we therefore focus on maintaining ethics in carrying out our business operations.

Report on CSR Operations for Sustainable Development

The purpose of providing guidelines on report preparation is to disclose the company's operational methods relating to corporate social responsibility and sustainable developments of the hotel and food business, which are of significant importance to stakeholders. Information in the report covers operations from 1 January to 31 December 2017, and is prepared in accordance with the guidelines on report preparation of the Social Responsibility Centre (SR Centre), Stock Exchange of Thailand.

In carrying out our operations, the company places importance comprehensively on all groups of stakeholders as follows:

Stakeholders	Operational Frame	Sustainable Development Process
Customers	Responding to all aspects of needs	<ul style="list-style-type: none"> Presenting impressive services with Thai identity. Product diversifications for providing services to customers. Developing technology to enable customers to receive efficient services. Listening to comments from all forms of communication channels for use in improving our services.
Partners	Business opportunity expansion	<ul style="list-style-type: none"> Raising level of service business industry. Transparent and fair procurement process.

Stakeholders	Operational Frame	Sustainable Development Process
Employees	Creating professional personnel for corporate sustainability	<ul style="list-style-type: none"> Developing knowledge and conducting training to raise level of competency for their career progress. Looking after and paying attention to employees as family members in order to create corporate loyalty. Suitable and fair considerations. Opening opportunities to employees for participation in expressing their opinions.
Community Society	Creating professional personnel for corporate sustainability	<ul style="list-style-type: none"> Promoting, developing and creating good relations with community and society to valuably coexist. Sharing knowledge to strengthen the community to grow together with the company business. Creating incomes for the community, both directly and indirectly, to grow the community's economy.
Environment	Environmental impact management	<ul style="list-style-type: none"> Overseeing and managing the use of natural resources for the utmost utilisation. Regularly adjusting business operational processes to reduce environmental impact. Using innovation and technology for facilitating the operational process.
Shareholders	Worthy business operational results with stable and sustainable growth	<ul style="list-style-type: none"> Having participation in expressing opinions towards business operations. Organising investor meetings activities on a regular basis.
Stakeholders	Carrying out business operations with transparency	<ul style="list-style-type: none"> Monitoring controls over the enterprise with corporate governance under provisions of the law.

Sustainable Development Goals (SDGs)

The United Nations has set a collection of Sustainable Development Goals (SDGs) containing 17 Articles and 169 Objectives, and Thailand has signed in confirmation to carry out businesses to attain the goals within a timeframe of 15 years.



In 2017, our company linked SDGs with the business operational process as follows:



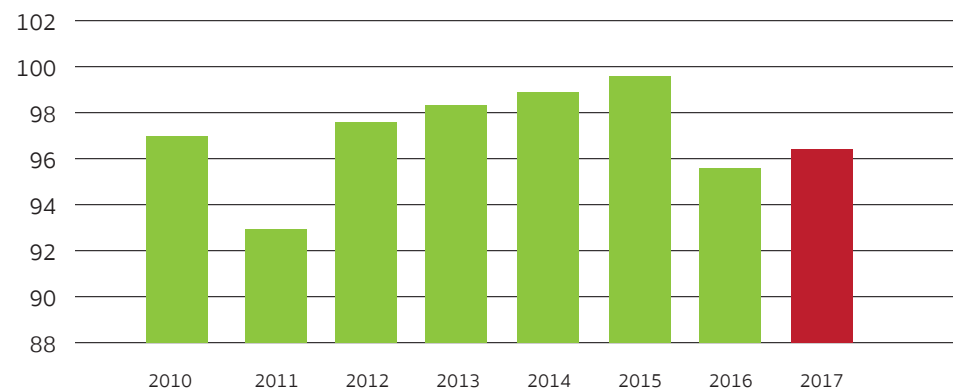
We are firmly determined to carry out business operations to support and deliver the sustainable values in accordance with 9 sustainable development goals out of the 17 main goals in the following issues: Quality Education (4th Goal), Gender Equality (5th Goal), Clean Water and Sanitation (6th Goal), Affordable and Clean Energy (7th Goal), Decent Work and Economic Growth (8th Goal), Responsible Consumption and Production (12th Goal), Climate Action (13th Goal), Life Below Water (14th Goal), Life on Land (15th Goal).

Good Corporate Governance

Our company is committed to manage the organisation by adhering to the principles of good corporate governance and is also aware of the importance of good corporate governance in helping enhance potential on competitiveness in both the short and long term. The Good Corporate Governance Policy consists of 5 Chapters, namely Shareholders' Rights, Shareholders' Equal Treatments, Stakeholders' Roles, Disclosures of Information and Transparency, and Board of Directors' Responsibility. Good corporate governance helps boost confidence amongst investors, financial institutions, business allies, and all stakeholders.

In 2017, in the Corporate Governance Assessment that was conducted on listed companies by the Thai Institute of Directors (IOD), the company received a score at a very good level. Also, in the section of the assessment on quality in the 2017 Shareholders' General Meeting of listed companies on the Stock Exchange of Thailand conducted by the Thai Investors Association, the company received a score of 96.5%.

Assessment Score on Quality in Holding Shareholders General Meeting



Anti-Corruption

The company was certified as a member of the Collective Action Coalition Against Corruption (CAC) on 22 April 2016. In this respect we have a clear policy and practical guidelines on action against corruption to which all employees must adhere as a part of working discipline, and all new employees are required to attend orientation training to receive practical guidelines on action against corruption. In 2017, 958 new employees underwent orientation. This policy has been publicised on the company's website <http://centel-th.listedcompany.com/cg.html> and letters have been circulated to notify partners to carry out business operations in good faith with transparency under the laid down measures.

Human Rights and fair Treatment of employees

The company provides support and respect in human rights protection. Fair treatment is given to its employees in all aspects without discrimination in spite of the difference of race, religion, gender, age, and education background. Employment of locals is encouraged along with reasonable welfare and employee wellbeing.

Customer Responsibility

The company's service and product development is aimed to respond to demand and to meet the expectations of service users and customers under fair terms, confidentiality, and privacy.

Environment and Safety

The company has business operating procedures that take into consideration environmental impact, the intention being to ensure that all service and business processes make the most effective and economical use of resources. We also conduct the follow-up of possible impact, including the importance of operational safety as our priority.

Social and Community Development

Our business process encourages participation in activities to strengthen society and communities in all contexts.

Development Innovation for Corporate Social and Responsibility

The company supports the development of creative innovation that generates value to the business as well as to society, communities and the environment in a sustainable manner.

Human Resource Management for the Organisation's Success

Personnel Recruitment

1. Opening opportunities to all nationalities to become employees by taking into account suitable experience and academic qualifications for various positions.
2. Opening opportunities to employees within the organisation for rotation or transfer to perform duties in various areas as suitable in order to enhance their skills and opportunities for career progress.
3. Placing importance in complying with human rights principles on the matter of equality, honour and right to receive equal treatment without any discrimination on race, skin colour, sex, age, religion, and beliefs. The company has a clear policy not to employ persons under the age of 18 years.
4. All new employees will receive orientation in order to become aware and understand the corporate vision, value and culture including requirements and welfares before commencing their work.

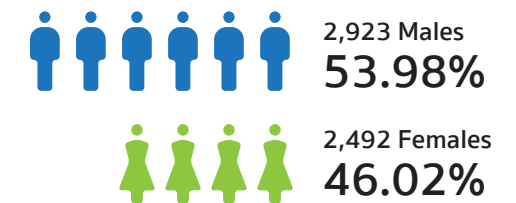
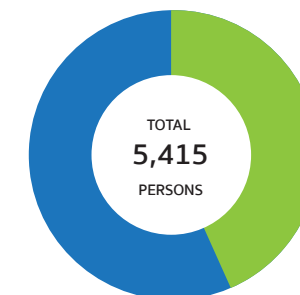
Creation of Employees' Commitment to Organisation

The company sets out suitable welfares and considerations as prescribed by law, such as welfare on medical treatment expenses, social security insurance, health insurance, compensation fund, provident fund, employee uniforms, employee cafeteria, and medical room within the company in case employees are sick or have non-critical accidents while on duty. To this can be added continual improvement of workplace facilities and environment to suit the employees' needs and ensure that work can be performed with maximum efficiency. A survey on employee satisfaction towards the organisation in 2017 returned a rating at the level of 91.69%.

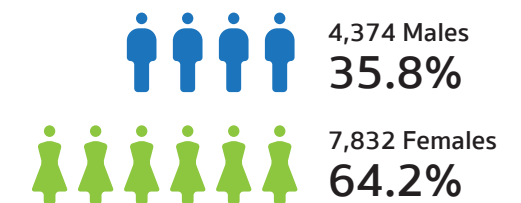
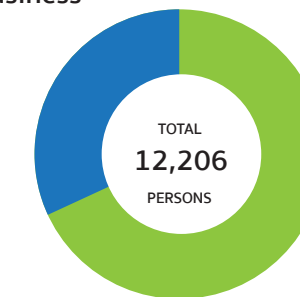
Personnel Data

1. Total number of employees: 17,621 persons

Hotel Business

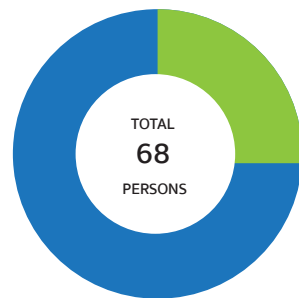


Food Business

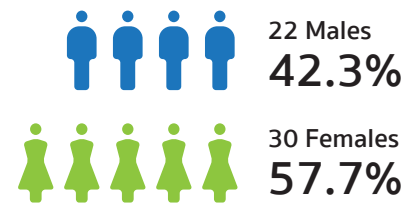
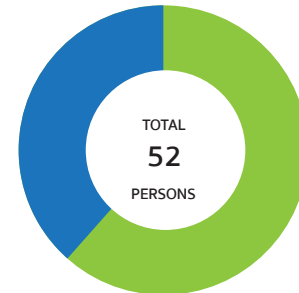


2. Number of executives from director level upwards: 120 persons

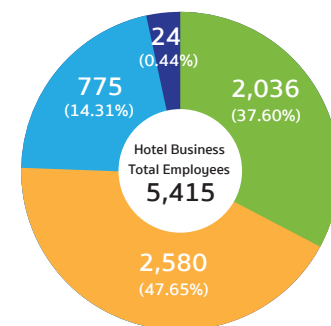
Hotel Business



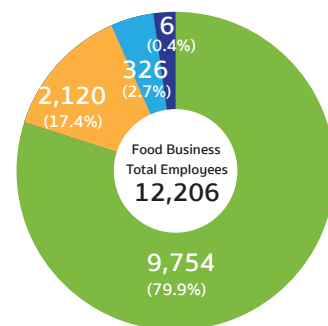
Food Business



3. Number of employees classified by age

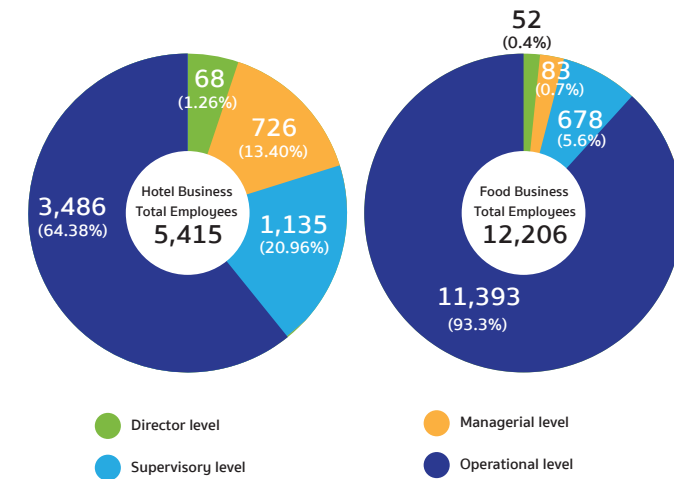


Age from 15-30 year
Age from 46-60 year

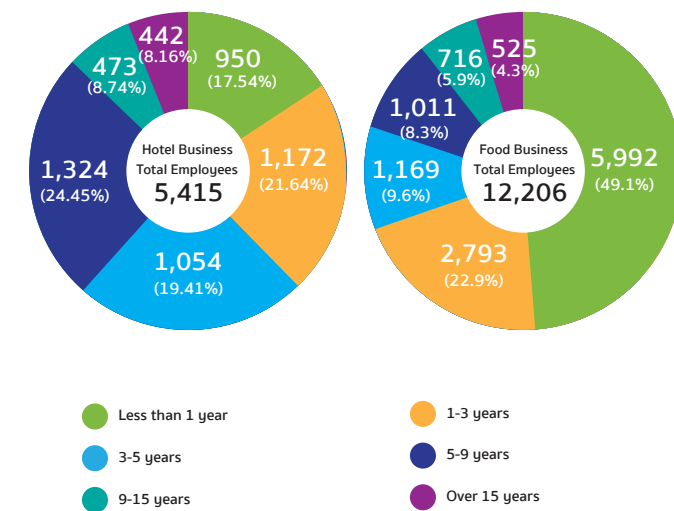


Age from 31-45 years
61 years and over

4. Number of employees classified by work level



5. Number of employees classified by duration of employment



6. Number of employees volunteering to participate in community service activities is 6,541 persons computed to be in working hours of 12,526 hours.

6,541 persons



12,526 working hours

7. Data on number of employees having accidents while on duty in 2017 is 78 persons, divided into injuries requiring work to stop was 63 persons, and not requiring work to stop was 15 persons. This data is only on employees in the hotel business.

On 7 September 2016, we signed a Memorandum of Cooperation Agreement on Driving Strategy and Policy in Extending Employment Duration of Elderly Labours in Business Establishment to form a prototype for later extending to other business establishments. This was undertaken in collaboration with the Department of Labour, Thai Health Promotion Foundation Office, Thai Elderly Research, and the Development Institute Foundation. In this we foresee the importance of older workers who are still capable and have experience that is deemed important in driving the business by sharing their knowledge with the younger generation. In 2017, the policy on employing elderly people was maintained by extending the employees' retirement age from 55 to 60 years, including providing welfares similar to those of the general employees. In this respect, 112 elderly people have been reemployed in all work lines, which include the executive, managerial, supervisory and operational levels, generating incomes to elderly people in the total amount of more than 50 million baht. A consequent result has been the company receiving awards from the Ministry of Social Development and Human Security in respect of its support for elderly workers and their importance to company operations.

Moreover, we provide opportunities for disabled persons to become employees, and in 2017 a total number of 67 disabled persons were hired. This number exceeds the number required by the law, which is calculated at 34%. They were hired to work in various departments such as laundry, housekeeping, engineering, information technology (IT), human resources, kitchen, stewarding, spa, front office and accounting, where disabled persons can work harmoniously and effectively together with the general employees. A budget for use in hiring the disabled in 2017 was set aside in the amount of 13 million baht.

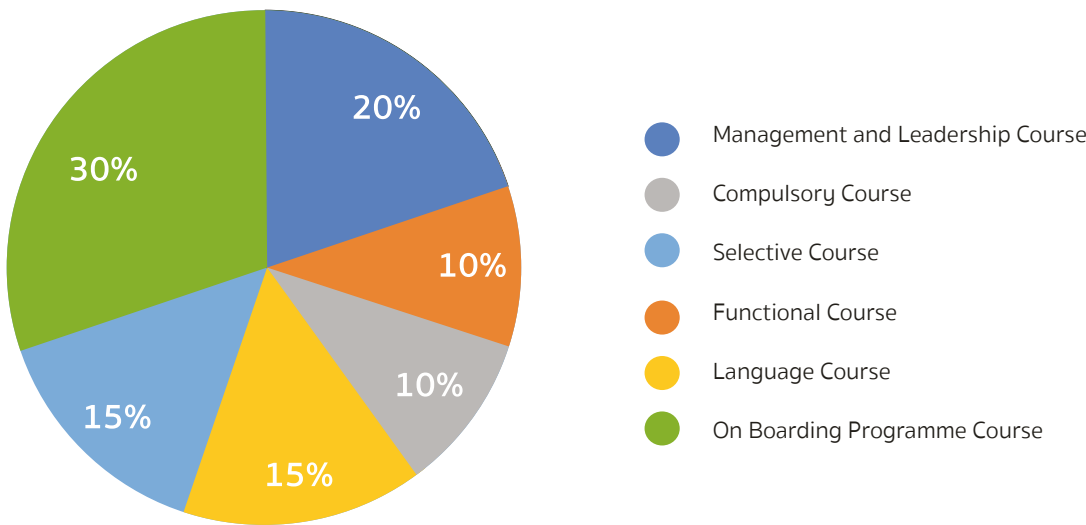
Employee Potential Training

For us, our employees are the company's valuable human resources, and so policy on development and promotion for all employees to gain additional knowledge that will be beneficial to their performance and progress has been implemented.

On the part of the hotel business, a total number of 370 training courses were held to develop the knowledge of employees and increase their potential, which can be categorised as follows:

1. Management and Leadership Course, 20%;
2. Compulsory Course, 10%;
3. Selective Course, 10%;
4. Functional Course, 15%;
5. Language Course, 15%;
6. On Boarding Programme Course, 30%.

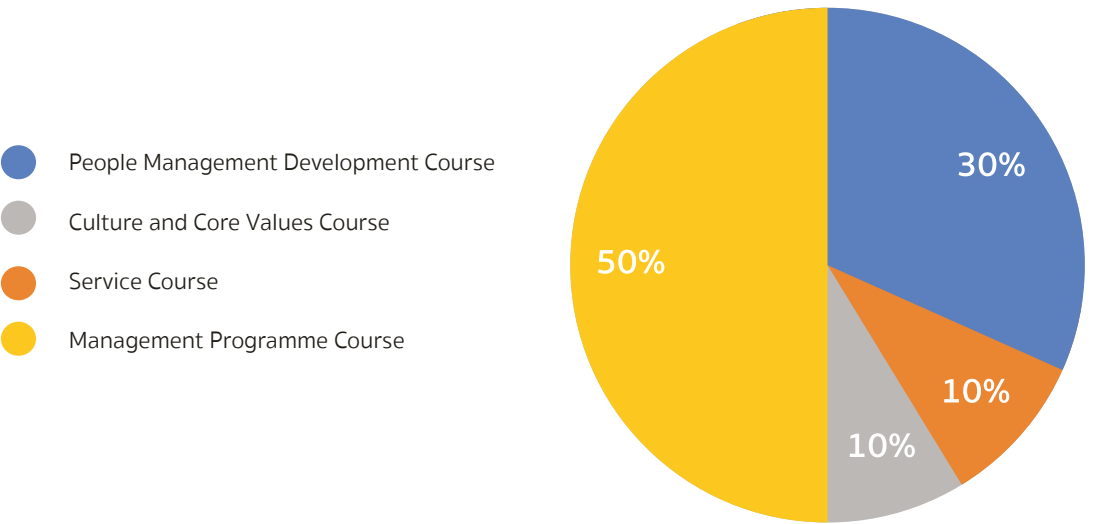
Employees participating in various courses accounted for 91% the total number of employees. Result of an assessment on the overall satisfaction towards the training was 90%, an increase of 5% from the preceding year. The average training hours of employees in the hotel business numbers 17 hours per person per year.



In the food business, a total number of 78 courses were held to develop the employees and increase their potential, which can be categorised as follows:

1. People Management Development Course, 30%;
2. Culture and Core Values Course, 10%;
3. Service Course, 10%;
4. Management Programme Course, 50%.

Employees participating in various courses accounted for 90% of the total number of employees. Result of an assessment on the overall satisfaction towards the training was 93%, an increase of 1% from the preceding year. The average training hours of employees in the food business numbered 18 hours per person per year.



We jointly collaborated with Central Group on human resources development in order to increase potential and share experiences from internal and external experts. Courses organised by Central Group accounted for 43% of the entire courses.

All employees have an equal opportunity to be considered for promotion, provided however that this matter will be subject to the employees' knowledge and ability in their duty performances and achievements in the past. In this respect, the company organised the following skills development programmes for occupational progress.

1. **Management Development Programme (MDP)** Implemented to develop our hotel staff potential for advancing to the management work line. From the programme founding in 2003, a total number of 14 classes have been organised and participated in by 132 employees, and in 2017 a total number of nine employees participated in the programme. Currently, a total number of 72 employees who received training under this programme are working at hotels and resorts under Centara affiliates.
2. **Succession Plan Programme** Selects potential employees to receive skills training and development on aspects of leadership and programme management for one year to support the succession. From the programme founding in 2014 a total number of 372 employees have participated, and 2017 saw 76 employees participating in the programme.
3. **Restaurant Management Training** This consists of three programmes divided into RMTI, which is in preparation for employees of shift supervisor level to be promoted to branch assistant manager; RMTII, in preparation for employees of branch assistant manager to be promoted to branch manager; and RMTIII, in preparation for employees of branch manager to be more knowledgeable on management and other aspects in relation to operations.

4. **Pool Potential for Store Manager Programme** Designed for the selection and development potential for branch managers in preparation for them to move to the position of regional manager.
5. **Talent Manager Programme** This is for the development of employees in the food business having potential and competency for higher responsibility.

Projects have additionally been implemented to create opportunities and support learning in occupational line for youth, school pupils and students, and 2017 the following projects were implemented.

1 The 4 Creations Project: the Creation of Dream, the Creation of Opportunity, the Creation of Occupation and the Creation of Future with Centara or 4Cs: (Centara Career Creation for Children). This project is a co-operation with the Office of the Basic Education Commission, Ministry of Education; Department of Labour Skill Development; Ministry of Labour; and hotels and resorts under Centara affiliates. Development and training began in 2011 for preparations in youth labour skills for the disadvantaged who have completed Matthayom 6 (Secondary Education Year 6) from Suksa Songkro School and Ratprachanukhro School under The Royal Patronage, as well as the School of Deaf and School of Visually Impaired. The objective was to participate in a five-month training programme to be ready for service work. During the period of the training, participants receive welfares on accommodation, food, uniforms, equipment, allowances, and health insurance. A certificate of training is presented upon completing the training course, and students have the opportunity to be recruited as regular employees of hotels and resorts in Centara affiliates located in various provinces. There have been 718 students completing this training, and 515 of them have been employed in hotels and resorts by Centara affiliates. The budget allocated for this project was 9.2 million baht in total. Part of it was subsidised by the Department of Skill Development, Ministry of Labour to the amount of 4.7 million baht, creating income to youths per month of not less than 17,000 baht. In 2017, 118 students participated in the project, and of these 102 persons were recruited as employees of hotels and resorts by Centara affiliates. Because of our intention in carrying out this project on a continual basis, we were in 2017 selected by the Stock Exchange of Thailand to participate in the Power Integration by Listed Companies for Sustainable Thai Society Project, and to disseminate as an outstanding Social Enterprise Business on Youth Educational and Development Promotion on 29 September 2017 at the Stock Exchange of Thailand.

2. Student On-the-Job Training (OJT) Programme both in Country and Abroad

We have signed a Memorandum of Cooperation Agreement with domestic educational institutes in accepting students for OJT and preparedness for their jobs in the hotel business. The program began in 2011, when the Memorandum of Cooperation Agreement was signed with 32 educational institutes. Subsequently 101 students participated in and completed the OJT programme

with hotels and resorts under Centara affiliates. In 2017, a Memorandum of Cooperation Agreement was signed with an additional eight educational institutes, and 26 students were accepted for the OJT programme with hotels and resorts under Centara affiliates.

Opportunities have been given to students from overseas educational institutes to receive the OJT in various departments, and since 2011 a total number of 21 students received the OJT from 21 overseas educational institutes. In 2017, there were a total number of five students from five overseas educational institutes taking part in the OJT.



Community and Social Support for Sustainable Development

We jointly collaborated in 2017 with Central Group in providing assistance and rendering social development on various aspects with a total budget of 12.2 million baht as follows.

Central Group Project for Educational Development

- Jointly supporting the construction of school buildings, sanitation buildings, Border Ban Chanu Patrol Police Learning Centre, Mueang District, Chiang Rai Province.
- Supporting Education Management project to grow characteristics of self-sufficiency, Class 1-2 by Sufficient Education Centre Fund, Foundation of Virtuous Youth (Yuwasathirakhun Foundation).

- Providing support for the development of Pracharat Education under three Pracharat school projects, namely: Funds for Pracharat School, Ban Pru Dinna School, Ban Bang Khram School and Ban Nong Nam Daeng School.

Central Group Project for Solidarity Efforts on Anti-Disaster

Participating in making donations of relief supply bags to help victims of flood disasters in the Thai provinces of Chomphon and Rot Et in 2017, and making donations of blankets.

Central Group Project for Environmental Preservation

- Supporting the Resources Management for Sustainability (3R) Foundation.
- Participating in Central Green Project @ Vibhavadi under Central Group Loves the Earth to integrate the areas, adjust landscaping and provide wastewater treatments in canals along Vibhavadi-Rangsit Road, by planting trees, building wastewater treatment rafts and fat-trap tanks for entrepreneurs in the nearby areas to create balance for the surrounding areas of Vibhavadi canal.



Central Group Project on Creating Charity for Social Assistance

- Making donations of medical devices to the Kidney Foundation of Thailand for distribution to the following hospitals: urethroscope and cystoscope to Queen Savang Vadhana Memorial Hospital; double-action lithotrite together with mini PCNL set to Udon Thani Provincial Hospital.
- Sponsoring public toilets at Lumpini Park for two units, which are general toilet and model toilet for the disabled, for accessibility and utilisation by the general public.
- Supporting blood donation project to Thai Red Cross Society. In 2017, blood donations were made in conjunction with Central Group that accounted for the quantity of 663,120 cc, with 1,658 employees of our company participating.



Central Group Voluntary Project for Community Development

The Terrace plays a role in providing support for our Thai fellow agriculturists for four consecutive years by taking community agricultural products for processing and distributing in the restaurants. Products included Nang Lae pineapples from Chiang Rai, Sang Yod Rice from Phatthalung, Riceberry from Chai Nat, and Khao Niew Luem Pua from Tak. This resulted in goods or product quantity support in the community or nearby locality increasing by 3.61%.

We also supported activities that pass on knowledge on nutrition and enhanced hygiene for youths in remote areas by organising activities at Sakae Rat Wittayakhom School, Pak Thong Chai District, Nakhon Ratchasima Province; Ban Khuan Ngoen School, Cha-Uat District, Nakhon Si Thammarat Province; and Chiang Rai-Phayao Border Patrol Police Vocational School, Chiang Khong District, Chiang Rai Province. Collaboration was undertaken with Central Pattana Group in developing monasteries in Ayutthaya Province, namely Wat Khun Mueang Chai, and Wat Thammikaram. Continuing support was given to the Central Air Force Football Sports Promotion Project.

Furthermore, Centara Grand at CentralWorld has provided support with the hotel's space in the lobby area for arts exhibitions by the younger generation artists without format restriction, four times every year. The proceeds acquired from the sales of artistic works each time are donated to foundations or charitable organisations in need of assistance.

In providing support to enable elderly people to generate income apart from hiring them in accordance with the company policy, opportunity is open to the elderly in each community to bring goods and products they have produced, whether it is food, apparatus, or crafts for sale in the areas of each hotel. Feedback from employees on support for their goods reveals a favourable response.

Relations with the local community is yet another important issue to the business operation. We have therefore implemented a procurement system that is responsible to the surrounding communities. In this respect, over 80% of the products used in the hotels are from the country, the other 20% being imported from overseas because there is no domestic product available.

Environmental Management

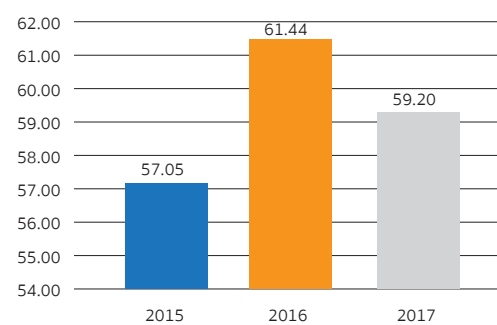
Centara Hotels & Resorts operates a comprehensive Social and Environmental Sustainability Policy in order to focus on environmental conservation, energy management, Green House Gas reduction, fresh water management and solid waste management. Renewable energy has been implemented to reduce greenhouse gas emissions. The management of fresh water resources including wastewater treatment and the reused of wastewater treatment has become our standard practice for a number of years. Solid waste management is also our primary practice by reducing waste sent to landfills as well as decomposing the organic waste and recycle waste. The management of hazardous waste is also in place to avoid any contamination to the Ecosystem. We are committed to take care of the Ecosystem onshore and the marine ecosystem. A hotel Green Team will be appointed to make sure that the practices will be in place with Internal and External Audits for any related standard and compliance..

Green House Gas Emissions (Scope 1 and Scope 2)

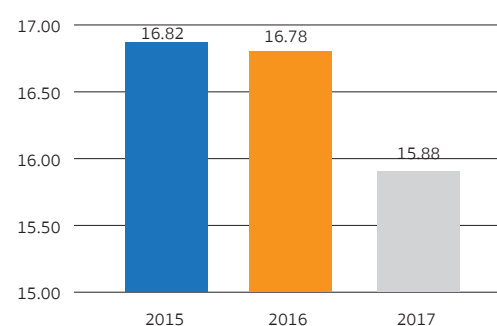
In 2017, 18 properties undergoing Earthcheck Programme have calculated the Green House Gas Emissions (Scope 1 and Scope 2) total 59.20 kt CO₂-e or average 15.88 kg CO₂-e per Guest Night. Total reduction is 3% or 0.9 kg CO₂-e/Guest Night compared to 2016. According to Earthcheck Programme, the Baseline of GHG per Guest night is at 38 kg CO₂-e while the Best Practice is at 27 kg CO₂-e per Guest night. Centara Hotels & Resorts Green House Gas Emission per Guest night is better than Global Best Practice.

** kt = kilotonne, CO₂-e = carbon dioxide equivalent**

Total Green House Gas Emissions (kt CO₂-e)



GHG Scope 1&2 (kg CO₂-e/Guest night)



Renewable Energy

Heat Reclaim/Recovery

In any cooling system, chiller and Flash Steam, heat is transferred from the load location whether the load is a result of space temperature conditioning, dehumidification, or a process. Centara Properties in Bangkok, Udon Thani, Samui and Maldives have been using the heat reclaim from the excess heat and produce hot water in the nearby hot water taps.

Solar

We have tried to reduce our carbon footprint by using energy management system also the implementation of solar PV for boilers, walk way in most of resort properties.

The Coast Beach Bar & Grill in Centara Grand Beach Resort Phuket has decorated and brighten up the outlet atmosphere by using the solar jar. This could reduce over 720 liters of the fossil fuel from oil lamps or 2038 kg of Co₂-e.

Centara Government Complex Hotel & Convention Centre Chaeng Watthana installed Solar PV on the roof top for producing electricity in convention center which could save approximately 200,000 Kwh or 102,240 kg of Co₂-e.

EV Charger

While Centara Grand at CentralWorld has installed Electric Vehicle Charging Station to motivate the guests with Eco cars to reduce the air pollution from fossil fuel transportation.



Carbon sequestration

Planting trees becomes Centara's continual activities. It's our opportunity to offset the carbon for planting the large trees i.e. teak or flame trees and mangroves which are prime ecosystems for reforestation and restoration also the properties have chance to support the local agencies and communities.

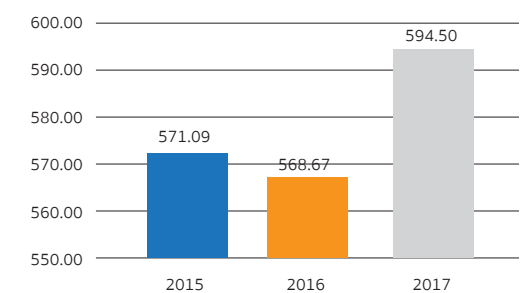
Centara Properties all over Thailand i.e. Phuket, Krabi, Hat Yai, Huahin, Udon Thani and Pattaya joined hands to plant over 1,000 trees on the Earth Day in April and World Environment Day in June by coordinating the local authorities and communities. We could have Carbon sequestration approximately 4,000 kg Co₂-e.



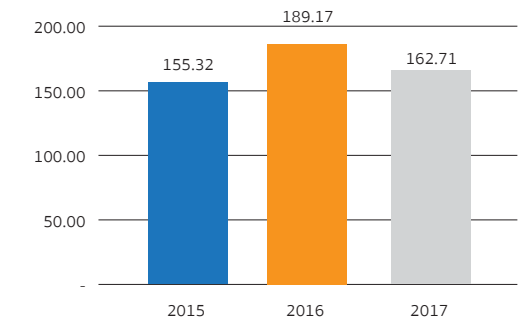
Energy Consumption

Electricity Target has been set as KPI for all individual property annually and it has been monitored by monthly. The result of 2017 is 3% reduction compare to 2016 with average 59.8 Kwh per occupied room (included oversea properties). The total energy Consumption in 2017 is total 595 terajoule or average 162.71 MJ per Guest Night with 3% reduction from 2016.

Energy Consumption (TJ)



Energy Activity (MJ/Gust night)



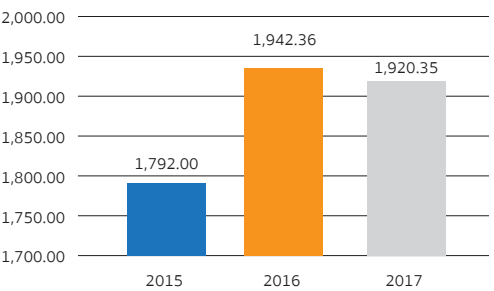
Centara Grand at Central Plaza Ladprao Bangkok has been awarded 'MEA Energy Saving Building 2017' by Metropolitan Electricity Authority (MEA). CGLB has saved electricity consumption for 798,920 kwh or reduced CO₂ emission for 448.79 ton which resulted from LED light bulbs replacement project and energy management system implementation. This project supported by Ministry Energy of Thailand which is the continual programme since 2016.



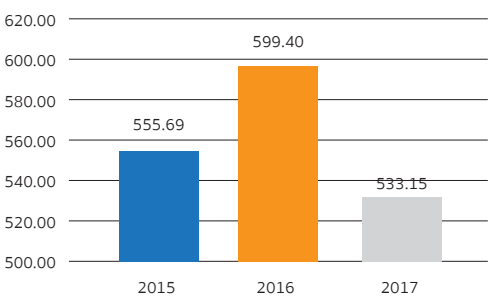
Potable Water Consumption

The water consumption has been decreased 6% from 2016 which is in average 533.15 liters per guest night. Water management initiative include waste water recycling for gardening, installation of low flow regulators and dual flush which could save 11.4 liters per minute (from 22.2 L to 10.80 liters per Minute) and daily check for leaking every day.

Water Consumption (ML)



Water Consumption Litre/Guest Night



Going Greener and My Green Day

Our ongoing project of Going Greener and My Green Day are aiming to reduce water consumption and some chemical use for laundry by reusing the towels and linens more than once. In 2017, the average participant is 19% which help us saved over 401,000 Cubic meters or 160 Olympic Pools.

Reuse of gray water

Most of our resorts properties have reuse the grey water for landscaping over 80% of fresh water has been saved for the garden.



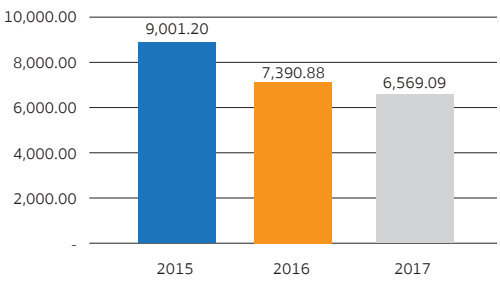
Waste Sent to landfill

Disposing of waste has huge environmental impacts and can cause serious problems. Some waste can eventually degrade, but not all, and in the process, it may smell or generate methane gas, which is explosive and contributes to the greenhouse effect.

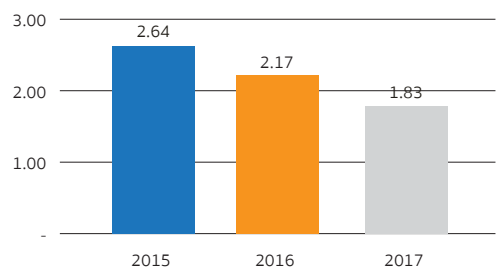
The procedure of waste management has been applied to all Centara Hotels & Resorts properties since 2013. In 2017 the Volume of waste sent to landfill has been generally reduced 6% from 2016 (822 cubic meter) average 1.83 liter per guest night.



Total Waste sent to Landfill M3



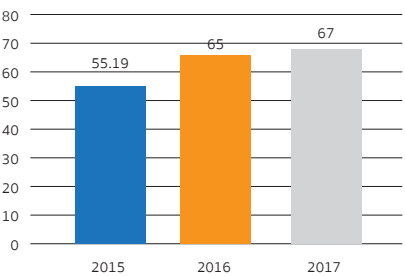
Waste sent to Landfill L/Guest Night



Total waste recycling

The average total percentage of Recycled / Reused / Composted Waste is at 67 %

Recycled / Reused / Composted Waste



Centra by Centara Maris Resort Jomtien reused 360 Glass bottles for X' Mas tree decoration with LED lighting which could save over 15,000 THB and electricity saving at 1,815.28 Kwh for this activity and be able to motivate guests and employees about waste management and energy saving. Also, this activity was recognized by Chonburi Natural Resources & Environment Department. Centara Grand Beach Resort & Villas Krabi used the dried coconut, symbol of the south as ecofriendly Christmas tree. Then they can be reused as the fertilizers in the hotel's garden.



In the Maldives properties, everything has to be transported by boat. The Green Team decided to upcycling the waste i.e wooden pallet to the signates and new furnitures, Glass bottles as the walkway.



Centara Grand at Centralworld has donated edible surplus food since November 2017 with total 2,653.73 kg. The donation has provided over 7,961 servings. By reducing this food waste, CGCW have successfully saved 5,042.09 kilos of GHG equivalent emissions (Co₂-e (kg)).



Hazardous waste Management

Hazardous wastes that contain or contaminate with hazardous materials or exhibit the hazardous characteristics including flammable, corrosive, reactive, toxic, or having the specified constituents. Centara Hotels & Resorts has separated and recorded all of the hazardous waste and sent to the local hazardous waste department for proper management which approximately 2,000-5,000 kgs per property per year.



Ecosystem Management and Conservation

The Herbs Garden - both city and resort properties make use of their area to plant the local vegetable, herbs for canteen and spa and it can be used for Thai Cooking Class. The benefit of the herb garden is to promote the traditional Thai local herbs and the guest can also experience it as welcome drinks.

Centara Grand Beach Resort & Villas Hua Hin not only plant organic vegetable in the resort but the employee can also bring their homemade products to sell in the Green Market at the end of the month.

Centara Grand Beach Resort Samui and Centara Villas Samui encourage the wedding guest to plant the trees in the hotel garden. Every year we can watch them grow as the memorial of love.

The Maldives properties support the local fishery by purchasing the local seafood. This is also benefit to the marine ecosystem as the Maldivian fishermen is considered as sustainable fishery as catching each tuna one by one and there by leaving enough in the ocean. Also, the Coral restoration is our ongoing project due to the new phenomenon of global coral bleaching events is caused by ocean warming (93% of climate change heat is absorbed by the ocean). Over 5,000 new corals have been planted by the Green team and guests which supervised by certified marine biologists.



The management of Harmful substances

Centara Hotels & Resorts has implemented the procedure of Harmful substances handling and storage which not only concern to health and safety but also to the ecosystem. All the chemical stores must be aligned with the local and international requirement. The spillage protection is strictly monitored to make sure that it will not contaminate to the environment. Likewise, the biodegradable substance has been prioritized for all resorts.



EarthCheck Certifications

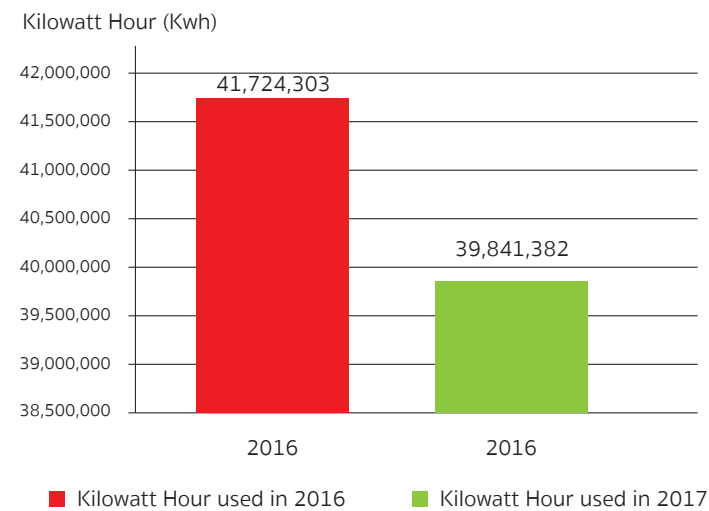
EarthCheck is the world's leading scientific benchmarking, certification and advisory group for travel and tourism which is recognized by GSTC (Global Sustainable Tourism Council). Thus far, all the Centara owned properties are partners with EarthCheck and are continuing to improve their sustainability efforts. It is a priority to have all of our managed properties engage with EarthCheck as well. We are continuously working on introducing the programme into our managed properties where we work with the owners and the whole team to develop a plan for operations and budgets. Centara Hotels & Resorts has been successfully implemented this programme and monitored our continual improvement since 2007.

Centara Grand Beach Resort & Villas Krabi	Gold 2017(3rd year)
Centara Grand Beach Resort and Villas Hua Hin	Gold 2017(2nd year)
Centara Grand Beach Resort Samui	Gold 2017(2nd year)
Centara Grand & Bangkok Convention Centre At Central World	Gold 2017(1st year)
Centara Karon Resort Phuket	Gold 2017(1st year)
Centara Grand at Central Plaza Ladprao Bangkok	Silver 2017(4th year)
Centara Grand Beach Resort Phuket	Silver 2017(4th year)
Centara Grand Island Resort and Spa Maldives	Silver 2017(4th year)
Centara Grand Mirage Beach Resort Pattaya	Silver 2017(4th year)
Centara Kata Resort Phuket	Silver 2017(4th year)
Centara Ras Fushi Resort and Spa Maldives	Silver 2017(3rd year)
Centara Villa Phuket	Silver 2017(2nd year)
Centara Villa Samui	Silver 2017(2nd year)
Centara Hotel Had Yai	Silver 2017(2nd year)
Centara Anda Dhevi Resort & Spa Krabi	Bronze 2017 (1st year)
Centara Tropicana Koh Chang	Evaluated (since 2013)
Centara Watergate Pavillion	Evaluated (since 2015)
Centara Hotel & Convention Centre Udon Thani	Evaluated (start 2017)

Beside Earthcheck, Centara Seaview Resort Khao Lak has implemented ISO 14001 Environmental management systems. Centara Grand Mirage Beach Resort Pattaya has successfully implemented ISO 50001 - Energy management. Centara Grand & Bangkok Convention Centre At Central World celebrate EarthCheck Gold Certification by launching Green Meeting package and been certified by ISO 20121 - Sustainable events.

Food Business Energy Management in 2017

Construction and maintenance department being the responsible party for energy has managed the use of business energy and prepared data on the integrated electric energy consumption of all work units in 2016 for comparing with 2017 as follows.



Deriving from the integrated kilowatt-hours used in 2016, the project operations and energy saving measures as follows have been undertaken:

1. Electric Energy Saving

The project to install acrylic sheets on the dipping cabinet device of Cold Stone Creamery was undertaken in the total number of 10 branches. Data in September-October 2017 reveals that approximately 3,528 Kwh computed to be in the amount of approximately 16,106 baht could be saved; and that CO₂ emissions could be reduced in the quantity of approximately 1,979 kg CO₂ e/Kwh.

2. Gas Energy Saving

The project to install gas energy consumption saving equipment at Chabuton was undertaken. In 2017, tests and installation of gas energy consumption saving equipment at Chabuton were conducted for four months at four branches, namely Terminal 21 Branch, Central Lardprao Branch, Central Salaya Branch and Future Park Rangsit Branch.

When compared with gas units in 2016, it is revealed that gas use had decreased by approximately 390 units, computed to be in the amount of 47,568 baht, or a reduction in the use of heat energy of the country of approximately 10,381,800 MJ/Unit. In 2018, there is a plan to expand the installations of Chabuton gas energy saving equipment in a total number of 18 branches.

3. Energy Saving Promotions

- 3.1 The VDO media production project suggested guidelines on energy saving of each item of equipment in the

shop, in order to educate employees and help them to understand electrical appliances such as electric frying ovens, ice makers, dish washers, freezers, and air-conditioners. All such VDO media are stored and disseminated to employees on the website info.org.co.th.

- 3.2 A training project was held for shop managers of various branches in each brand to educate and help them to understand and apply their knowledge on energy saving. The training was conducted for managers of Cold Stone Creamery, Ootoya, The Terrace, Auntie Ann's, and Yoshinoya.



The ceremony in remembrance of the late King Bhumibol Adulyadej to pay the highest respect by offering the marigold flower on October 12, 2017 at Centara Grand & Bangkok Convention Centre at CentralWorld.

The background is a dark blue gradient with abstract elements. It features a faint, glowing grid of binary code (0s and 1s) in the upper right. Overlaid on this are several semi-transparent financial charts. On the left, there's a line chart with a red line showing fluctuations. In the center and right, there are bar charts with blue bars. A network of thin, glowing orange lines connects various points across the charts, suggesting data flow or relationships. The overall aesthetic is high-tech and digital.

FINANCIAL STATEMENTS

REPORT OF THE **AUDIT** COMMITTEE



TO : THE SHAREHOLDERS OF THE CENTRAL PLAZA HOTEL PLC.

The Audit Committee of the Central Plaza Hotel Plc. comprises of 3 Independent Directors, namely: Mr.Bhisit Kuslasayanon as the Chairman of the Audit Committee, and Dr.Charnvithaya Suvarnapunya and Mr.Vichien Tejapaibul as members of the Audit Committee, all of whom have the full qualifications specified by the regulatory requirements of the Stock Exchange of Thailand (SET) and are fully independent in performing their duties in accordance with the Charter for the Audit Committee.

During 2017, there were 9 Audit Committee meetings; whereby all Members of the Committee attended every meeting. At these meetings, members of the Management group together with respective Chief Accounts of the Company and Subsidiary Companies involved as well as the Director of Internal Audit Unit and the external Auditor joined and participated in the discussions of the relevant agenda items being considered, in order to present comments and additional useful inputs. Further, regular briefings of the outcome of these meetings were presented to the Board of Directors during the year, a summary of which is as follows:

1. QUARTERLY AND FULLY YEAR FINANCIAL STATEMENTS FOR 2017

The Audit Committee, together with the Auditors and members of the Management responsible for their preparation, reviewed every quarterly and the annual financial statements, to assess the correctness and accuracy of these financial reports and any associated information disclosures, important estimates, and any restatements of the financial accounts having a significant impact on the financial statements prior to submitting them for consideration and acceptance by the Board of Directors. Additionally, the Audit Committee met once with the external Auditors without any members of the Management being present, to assess and review the degree of independence of their audit activities, together with other specific issues that may have resulted in possible damages or acts of corruption. As such, the Auditors reported and confirmed that they have not found any suspicious issues relating to any misconduct on the part of the Directors and members of the Management, as defined by Clause 89/25 of the Securities and Stock Exchange Act.

The Audit Committee is of the opinion that the financial statements are accurate and present all relevant information in a fully correct, comprehensive and timely manner, corresponding to generally accepted standards of financial reporting.

2. INTERNAL CONTROLS SYSTEM

The Audit Committee assigned the Internal Auditor to join in reviewing and evaluating the internal controls system every quarter. Based on the evaluation reports of the Internal Audit Unit during 2017 and associated comments from the Auditors (if any), the Audit Committee has made recommendations to the

Management group to undertake corrective actions as well as to make various improvements accordingly.

The Audit Committee also evaluated and approved the annual internal audit plans that also covered all operational aspects involving high risks together with important areas of control, which included all Subsidiary Companies and management services companies in order to reflect the current business operational environment. Additionally, the Audit Committee regularly advised and made recommendations to the Internal Auditor, so as to enable the Internal Audit Unit to achieve international standards of operations and increased effectiveness.

3. COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND LEGAL REQUIREMENTS OF THE SET, TOGETHER WITH OTHER RELEVANT LEGAL REGULATIONS.

The Audit Committee reviewed and assessed, together with the Legal Department and the Office of the Company Secretary, the overall compliance of the Company relating to all applicable securities laws and legal or regulatory requirements of the SET, as well as any other laws relevant for the Company's business operations. The Audit Committee is of the opinion that the Company has effectively ensured that its operations have complied with all applicable and relevant laws as well as regulatory requirements in an adequate and appropriate manner.

4. TRANSACTIONS WITH POTENTIAL CONFLICT OF INTERESTS

The Audit Committee reviewed and assessed, ever quarter, any proposed connected transactions to be undertaken with related parties or businesses. The Committee has determined that the Company used pricing policies for the products or services relating to such transactions involving related parties or businesses which may have a conflict of interests, that are comparable to those used for normal transactions with outside parties and without resulting in any conflict of interests situations arising; and that the Company has adequately disclosed the associated information in a comprehensive manner.

5. REVIEW OF AND PROPOSED APPOINTMENT OF THE EXTERNAL AUDITORS FOR 2018

The Audit Committee considered and reviewed the selection of the external Auditors for 2018; whereby various leading Thai Audit Firms submitted their proposals to undertake the audit of the Company and companies within the Group. After taking into consideration the degree of their respective independence, knowhow, good standards of audit practices and the adequacy of their people resources, together with the appropriateness of

the proposed audit fee, the Audit Committee has proposed to Board of Directors to submit, for approval by the Annual General Shareholders Meeting, that any one of the following persons: Mr. Wichart Lokatekrawee (CPA No. 4451), Miss Kamontip Lertwitworatep (CPA No. 4377), or Miss Satida Ratananurak (CPA No. 4753), or Miss Siriwan Nitdamrong (CPA No. 5906) from E Y OFFICE COMPANY LIMITED, be appointed as the authorized external Auditor, with an annual audit fee of Baht 2,100,000.- (Baht two million and one hundred thousands).

In the self-evaluation process of its own performance, the Audit Committee has compared its activities and performance with those specified in Charter of the Audit Committee; whereby the evaluation result has achieved what can be considered as a 'good' score.

In summary, the Audit Committee is of the opinion that the Board of Directors and the Management group are fully committed to carrying out their respective duties and responsibilities in a professional manner, with the aim of the Company achieving its stated objectives and goals in accordance with the applicable laws and established business plans. Further, the external Auditors have been certified by the Federation of the Accounting Profession, under the Royal Patronage of HM the King; and the Company has also fully complied with the principles of good corporate governance.

On behalf of the Audit Committee

(Mr. Bhisit Kuslasayanon)
Chairman, Audit Committee

REPORT OF THE **NOMINATION** AND COMPENSATION COMMITTEE



In 2017, the Nomination and Compensation Committee has performed its duties and responsibilities under its Charter by held two meetings, with a summary of the meetings as follows:

1. Considering and recruiting qualified candidates for directorship and submitting them to the Board of Directors and Shareholders' meetings for their consideration and nomination to replace the directors retired by rotation in 2017. The Company offered minor shareholders a chance to nominate directors since October 10, 2016 to February 1, 2017. Since no such nomination emerged, the Committee recommended that the retired directors who finished their terms in 2017 should be reappointed to another term. The 2017 AGM approved every nominated director.

2. Considering the 2017 compensation for the Board and its subcommittees, consisting of Audit Committee, Nomination and Compensation Committee, Risk Management and Corporate Governance Committee and submitting it to the Board and Shareholders' meeting for consideration and approval, taking into account their responsibilities performance and other relevant factors. The compensation amounts are also compared with industry peers and met with approval from the Shareholders.

3. Considering the succession plan for the Company's senior executives to ensure continuity and consistency with Centel's strategic plans.

4. Considering and giving opinion on human resource policies and work processes.

5. Considering, determining goal setting and providing performance assessment for CEO's performance in the preceding year and worked with CEO in setting goals and evaluation methods for his performance in the current year.

6. Considering duties and responsibilities, as well as performance under the Nomination and Compensation Committee charter and reviewing the charter for more alignment with the situation and best practice of regulators.

The Nomination and Compensation Committee has performed its assigned duties independently and properly for the highest benefit of the Company, shareholders and other stakeholders. The Committee has reported its summarized performance and findings to the Board of Directors for its acknowledgment every times.

(Mr. Sudhitham Chirathivat)
Acting Chairman, The Nomination &
Compensation Committee

REPORT OF RISK MANAGEMENT & **CORPORATE GOVERNANCE COMMITTEE**

At Centel, our understanding of risk and our practice of enterprise risk management have improved greatly over the past decade. We have enhanced our awareness and oversight of enterprise risk management while improving risk reporting with more depth and clarity and providing greater insight into the links between strategy, risk and performance.

We have taken an oversight role, helping to support the creation of value and prevent the decline. We also review, challenge, and concur with management on proposed strategy and risk appetite, alignment of strategy and business objectives with our mission, vision and core values, significant business decisions, response to significant fluctuation in performance, and response to instances of deviation from core values.

During the past year, we have identified factors that represent not just risks, but also changes and how the changes could impact our performance and necessitate a shift in our strategy. By identifying changes more clearly, we know not to consider only risk processes but also to discuss risk awareness culture and how the culture enables or inhibits responsible risk taking.

As we consider the future, our enterprise risk management is not only a function or department, but it is a culture, capabilities, and practice that we will integrate with strategy-setting and apply when we carry out that strategy. Our enterprise risk management is now more than a risk listing and requires more than taking an inventory of all the risks across all operations of the Company, but it is broader and includes practices that we are continuing to put in place to actively manage risk. Our enterprise risk management is also more than internal control. We also address other topics such as strategy-setting, core values, governance and culture, code of conduct, anti-corruption and performance appraisal. The same principles apply at all levels and across all functions so as to improve our approach in managing risk to meet the demands of an evolving business environment.

The Company continues to focus on 4 key risks, namely; strategy risk, operational risk, financial risk and compliance risk, as well as integrated opportunity-based risk, uncertainty-based risk and hazard-based risk. There is no doubt that we will continue to face a future full of volatility, complexity and ambiguity. Our enterprise risk management will be an important part of how we manage to exhibit traits that drive an effective response to change, including agile decision-making, the ability to respond in a cohesive manner and the adaptive capacity to pivot and reposition while maintaining high levels of trust among stakeholders.

(Mr. Sudhitham Chirathivat)
Acting Chairman,
Risk Management & Corporate
governance Committee

REPORT OF RESPONSIBILITY OF THE **BOARD OF DIRECTORS** TO FINANCIAL STATEMENTS

The Board of Directors of Central Plaza Hotel Public Company Limited ("the Company") is responsible for the consolidated financial statements of the company and its subsidiaries as well as financial information in the annual report. The financial statements have been prepared in accordance with Thai Financial Reporting Standards. The policies pursued are deemed appropriate and applied consistently and conservation judgment and best estimate are adopted in this preparation with adequate disclosure of important information in the notes to the financial statements.

The Board of Directors has appointed an audit committee comprising independent directors to provide effective oversight of finances and the internal control system to ensure that accounting records are accurate, complete and timely, to prevent fraud and materially irregular operations. The views of the Audit Committee are reported in the Committee's report in this annual report.

In this regard, the Board of Directors is of an opinion that internal control systems of the Company are in satisfactory and sufficient level to reasonably build the confidence in the reliability of the consolidated financial statement of the Company and its subsidiaries as at December 31, 2017.



(Mr. Sutthikiati Chirathivat)
Chairman



(Mr. Thirayuth Chirathivat)
Chief Executive Officer



INDEPENDENT AUDITOR’S REPORT

To the Shareholders of Central Plaza Hotel Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Central Plaza Hotel Public Company Limited and its subsidiaries (the “Group”) and of Central Plaza Hotel Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2017, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

IMPAIRMENT ON INVESTMENTS IN AN ASSOCIATE, SUBSIDIARIES AND LOANS TO SUBSIDIARIES AND GOODWILL	
REFER TO NOTES 4, 9, 10, 14 TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AND ACCOUNTING POLICIES 3 (G) (J) (M)	
THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
<p>There is a risk in respect of the possible impairment due to inability to achieve the expected profits of certain entities in the Group, which might affect to the recoverable amounts of the investments in an associate and subsidiaries and loans to subsidiaries.</p> <p>In addition, the Group has goodwill amounting to Baht 315 million, arising from an indirect interest in a company. The Group has a risk of impairment of goodwill as future cashflows of the underlying business may not reach expectations.</p> <p>In performing the impairment of investment in the associate, the recoverable amount is estimated by using the net asset value. The valuation of the investment in properties, given it represents the majority of the net assets of the associate, is evaluated by an independent valuer engaged by the associate, by considering the present value of the projected cash flows expected to be generated.</p> <p>For impairment of investments in and loans to subsidiaries and goodwill, the recoverable amounts are estimated by using the projected cash flows, approved by the management and assumptions used in management’s review.</p> <p>This is a key area of focus in my audit due to the judgments involved in the assessment of the recoverable amount of investments in associate and subsidiaries, loans to subsidiaries and goodwill.</p>	<p>My audit procedures included obtaining the information of net asset value per unit and assessing the valuation report of the investment in properties for investment in an associate and assessing the projected cash flows for investments in and loans to subsidiaries, goodwill, and performing the following:</p> <ul style="list-style-type: none">• evaluated the qualifications, competence and independence of the independent valuer;• assessed the process for identifying impairment indicators and obtained an understanding of impairment assessment process performed by the management;• considered the valuation methodologies used and tested the appropriateness of inputs of the projected cash flows used in the valuation, compared the key assumptions against historical results and available comparable industry data, and other market factors;• assessed the appropriateness of the key components of the discount rate calculation by comparing to weighted average cost of capital of the Group and average rate of the industry in which the Group operated; and• considered the adequacy of the disclosures in accordance with Thai Financial Reporting Standard.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about

whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My

conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795
KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2018

Central Plaza Hotel Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		(in Baht)			
Current assets					
Cash and cash equivalents	5	701,414,234	989,295,408	20,697,919	32,932,202
Current investments		98,042,700	153,746,050	-	-
Trade and other current receivables	6	860,029,921	937,882,984	214,810,443	236,831,894
Short-term loans to other parties		7,464,440	12,464,439	-	-
Short-term loans to related parties	4	-	-	809,300,000	813,800,000
Inventories	7	807,076,407	780,760,220	25,798,823	27,274,561
Other current assets	8	176,494,728	168,586,160	58,283,500	18,093,083
Total current assets		2,650,522,430	3,042,735,261	1,128,890,685	1,128,931,740
Non-current assets					
Available-for-sale investments		1,177,331	996,083	-	-
Investments in associates	9	528,501,988	594,316,525	526,614,321	594,316,525
Investments in subsidiaries	10	-	-	5,761,582,405	5,602,582,405
Long-term loans to related parties	4	95,041,577	-	2,217,050,000	2,747,750,000
Investment properties	12	408,855,459	424,930,451	250,983,448	263,903,264
Property, plant and equipment	13	17,884,381,588	18,288,243,456	4,059,547,795	4,175,620,640
Goodwill	14	314,602,238	314,602,238	-	-
Leasehold rights	15	2,103,217,954	704,629,299	1,240,229,366	107,115,869
Other intangible assets	16	389,281,519	372,018,684	10,288,636	17,445,358
Deferred tax assets	17	83,184,766	115,003,930	20,385,267	47,516,982
Other non-current assets	18	578,542,803	539,332,351	5,386,362	5,190,923
Total non-current assets		22,386,787,223	21,354,073,017	14,092,067,600	13,561,441,966
Total assets		25,037,309,653	24,396,808,278	15,220,958,285	14,690,373,706

Central Plaza Hotel Public Company Limited and its Subsidiaries
Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		(in Baht)			
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	19	151,184,478	719,988,320	-	6,342,705
Trade and other current payables	20	2,719,680,870	2,232,781,678	350,978,289	337,917,223
Current portion of deferred income	4	177,717,176	168,447,991	83,761,278	87,970,002
Current portion of long-term loans from financial institutions	19	235,302,480	127,198,985	-	-
Current portion of debentures	19	700,000,000	1,000,000,000	700,000,000	1,000,000,000
Short-term loans from related parties	4, 19	-	-	1,272,900,000	424,300,000
Income tax payable		167,917,485	154,228,281	-	-
Other current liabilities	21	252,968,660	236,625,446	70,700,629	39,655,825
Total current liabilities		4,404,771,149	4,639,270,701	2,478,340,196	1,896,185,755
Non-current liabilities					
Long-term loans from financial institutions	19	1,537,724,660	874,269,080	494,616,760	-
Debentures	19	4,280,000,000	4,979,716,195	4,280,000,000	4,979,716,195
Long-term loans from related parties	4, 19	60,988,982	66,381,746	-	-
Deferred income	4	2,154,912,846	2,221,647,061	993,687,842	1,043,623,745
Deferred tax liabilities	17	184,718,782	161,940,695	-	-
Non-current provisions for employee benefit	22	229,640,565	218,556,765	67,072,328	67,079,479
Provision for decommissioning	23	107,854,123	97,470,532	-	-
Other non-current liabilities		18,328,422	20,275,472	15,610,095	16,145,394
Total non-current liabilities		8,574,168,380	8,640,257,546	5,850,987,025	6,106,564,813
Total liabilities		12,978,939,529	13,279,528,247	8,329,327,221	8,002,750,568

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

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

Central Plaza Hotel Public Company Limited and its Subsidiaries
Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2017	2016	2017	2016
		<i>(in Baht)</i>			
Liabilities and equity					
<i>Equity</i>					
Share capital	24				
Authorised share capital		<u>1,350,000,000</u>	<u>1,350,000,000</u>	<u>1,350,000,000</u>	<u>1,350,000,000</u>
Issued and paid-up share capital		<u>1,350,000,000</u>	<u>1,350,000,000</u>	<u>1,350,000,000</u>	<u>1,350,000,000</u>
Share premium on ordinary shares	24	<u>970,000,000</u>	<u>970,000,000</u>	<u>970,000,000</u>	<u>970,000,000</u>
Retained earnings					
Appropriated					
Legal reserve	25	<u>158,080,000</u>	<u>158,080,000</u>	<u>158,080,000</u>	<u>158,080,000</u>
Unappropriated		<u>8,943,095,580</u>	<u>7,694,201,118</u>	<u>4,413,551,064</u>	<u>4,209,543,138</u>
Other components of equity	25	<u>119,676,668</u>	<u>231,963,322</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		<u>11,540,852,248</u>	<u>10,404,244,440</u>	<u>6,891,631,064</u>	<u>6,687,623,138</u>
Non-controlling interests	11	<u>517,517,876</u>	<u>713,035,591</u>	<u>-</u>	<u>-</u>
Total equity		<u>12,058,370,124</u>	<u>11,117,280,031</u>	<u>6,891,631,064</u>	<u>6,687,623,138</u>
Total liabilities and equity		<u>25,037,309,653</u>	<u>24,396,808,278</u>	<u>15,220,958,285</u>	<u>14,690,373,706</u>

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

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
		<i>(in Baht)</i>			
<i>Revenues</i>					
Revenues from hotel operations and related services		8,921,805,047	8,919,075,561	2,235,275,511	2,157,858,774
Revenues from food and beverage		10,892,624,414	10,529,092,248	-	-
Rental income		114,612,529	114,612,529	50,333,333	50,333,333
Dividend income	9, 10	-	-	867,117,880	743,470,996
Other income	27	<u>416,295,399</u>	<u>343,448,370</u>	<u>382,230,475</u>	<u>486,661,859</u>
Total revenues		<u>20,345,337,389</u>	<u>19,906,228,708</u>	<u>3,534,957,199</u>	<u>3,438,324,962</u>
<i>Expenses</i>	29				
Cost of sales - hotel operations and related services		5,664,471,487	5,744,233,738	1,438,399,578	1,424,384,478
Cost of sales - food and beverage		5,867,097,523	5,711,243,164	-	-
Distribution costs		766,124,495	734,487,318	245,598,015	237,134,412
Administrative expenses		5,290,274,016	5,081,126,777	699,452,745	569,151,168
Finance costs	30	<u>223,877,715</u>	<u>298,537,239</u>	<u>166,118,229</u>	<u>189,215,717</u>
Total expenses		<u>17,811,845,236</u>	<u>17,569,628,236</u>	<u>2,549,568,567</u>	<u>2,419,885,775</u>
Share of profit (loss) of an associate	9	<u>(34,534,963)</u>	<u>34,031,534</u>	<u>-</u>	<u>-</u>
Profit before income tax expense		<u>2,498,957,190</u>	<u>2,370,632,006</u>	<u>985,388,632</u>	<u>1,018,439,187</u>
Tax expense	31	<u>(407,556,796)</u>	<u>(414,510,472)</u>	<u>(38,885,381)</u>	<u>(55,513,150)</u>
Profit for the year		<u>2,091,400,394</u>	<u>1,956,121,534</u>	<u>946,503,251</u>	<u>962,926,037</u>

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

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

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

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2017	2016	2017	2016
		(in Baht)			
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		(150,282,890)	7,011,593	-	-
Gains (losses) on remeasurement available-for-sale investments		144,998	(27,542)	-	-
Other comprehensive income for the year, net of tax	31	(150,137,892)	6,984,051	-	-
Total comprehensive income for the year		1,941,262,502	1,963,105,585	946,503,251	962,926,037
Profit attributable to:					
Owners of the Company		1,991,389,787	1,849,554,515	946,503,251	962,926,037
Non-controlling interests		100,010,607	106,567,019	-	-
Profit for the year		2,091,400,394	1,956,121,534	946,503,251	962,926,037
Total comprehensive income attributable to:					
Owners of the Company		1,879,103,133	1,854,776,771	946,503,251	962,926,037
Non-controlling interests		62,159,369	108,328,814	-	-
Total comprehensive income for the year		1,941,262,502	1,963,105,585	946,503,251	962,926,037
Basic earnings per share	32	1.48	1.37	0.70	0.71

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

Central Plaza Hotel Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements										
	Retained earnings					Other components of equity					
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating financial statements	Available-for-sale investments (in Baht)	Change in ownership interests in a subsidiary	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Year ended 31 December 2016											
Balance at 1 January 2016	1,350,000,000	970,000,000	158,080,000	6,519,520,253	82,565,951	753,115	143,422,000	226,741,066	9,224,341,319	696,411,217	9,920,752,536
Transactions with owners, recorded directly in equity											
Distributions to owners of the Company											
Dividends to owners of the Company	-	-	-	(674,873,650)	-	-	-	-	(674,873,650)	-	(674,873,650)
Dividends paid from subsidiaries	-	-	-	-	-	-	-	-	-	(91,704,440)	(91,704,440)
Total distributions to owners of the Company	-	-	-	(674,873,650)	-	-	-	-	(674,873,650)	(91,704,440)	(766,578,090)
Total transactions with owners, recorded directly in equity	-	-	-	(674,873,650)	-	-	-	-	(674,873,650)	(91,704,440)	(766,578,090)
Comprehensive income for the year											
Profit or loss	-	-	-	1,849,554,515	-	-	-	-	1,849,554,515	106,567,019	1,956,121,534
Other comprehensive income	-	-	-	-	5,249,798	(27,542)	-	5,222,256	5,222,256	1,761,795	6,984,051
Total comprehensive income for the year	-	-	-	1,849,554,515	5,249,798	(27,542)	-	5,222,256	1,854,776,771	108,328,814	1,963,105,585
Balance at 31 December 2016	1,350,000,000	970,000,000	158,080,000	7,694,201,118	87,815,749	725,573	143,422,000	231,963,322	10,404,244,440	713,035,591	11,117,280,031

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

Central Plaza Hotel Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements					
	Retained earnings			Other components of equity		
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating financial statements	Available-for-sale investments (in Baht)
Year ended 31 December 2017						
Balance at 1 January 2017	1,350,000,000	970,000,000	158,080,000	7,694,201,118	87,815,749	725,573
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Reduction of share capital of a subsidiary	-	-	-	-	-	-
Dividends to owners of the Company	-	-	-	(742,495,325)	-	-
Dividends paid from subsidiaries	-	-	-	-	-	-
<i>Total distributions to owners of the Company</i>	-	-	-	(742,495,325)	-	-
Total transactions with owners, recorded directly in equity	-	-	-	(742,495,325)	-	-
Comprehensive income for the year						
Profit or loss	-	-	-	1,991,389,787	-	-
Other comprehensive income	-	-	-	-	(112,431,652)	144,998
<i>Total comprehensive income for the year</i>	-	-	-	1,991,389,787	(112,431,652)	144,998
Balance at 31 December 2017	1,350,000,000	970,000,000	158,080,000	8,943,095,580	(24,615,903)	870,571
Year ended 31 December 2016						
Balance at 1 January 2016	1,350,000,000	970,000,000	158,080,000	3,921,490,751	231,963,322	10,404,244,440
Transactions with owners, recorded directly in equity						
<i>Distribution to owners of the Company</i>						
Dividends to owners of the Company	-	-	-	(674,873,650)	-	-
<i>Total distribution to owners of the Company</i>	-	-	-	(674,873,650)	-	-
Total transaction with owners, recorded directly in equity	-	-	-	(674,873,650)	-	-
Comprehensive income for the year						
Profit or loss	-	-	-	962,926,037	-	-
Other comprehensive income	-	-	-	-	-	-
<i>Total comprehensive income for the year</i>	-	-	-	962,926,037	-	-
Balance at 31 December 2016	1,350,000,000	970,000,000	158,080,000	4,209,543,138	6,687,623,138	11,117,280,031

Transactions with owners, recorded directly in equity

Distributions to owners of the Company

Reduction of share capital of a subsidiary

Dividends to owners of the Company

Dividends paid from subsidiaries

Total distributions to owners of the Company

Total transactions with owners, recorded directly in equity

Comprehensive income for the year

Profit or loss

Other comprehensive income

Total comprehensive income for the year

Balance at 31 December 2017

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

Central Plaza Hotel Public Company Limited and its Subsidiaries
Statement of changes in equity

Note	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
			Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2016					
Balance at 1 January 2016	1,350,000,000	970,000,000	158,080,000	3,921,490,751	6,399,570,751
Transaction with owners, recorded directly in equity					
<i>Distribution to owners of the Company</i>					
Dividends to owners of the Company	-	-	-	(674,873,650)	(674,873,650)
<i>Total distribution to owners of the Company</i>	-	-	-	(674,873,650)	(674,873,650)
Total transaction with owners, recorded directly in equity	-	-	-	(674,873,650)	(674,873,650)
Comprehensive income for the year					
Profit or loss	-	-	-	962,926,037	962,926,037
Other comprehensive income	-	-	-	-	-
<i>Total comprehensive income for the year</i>	-	-	-	962,926,037	962,926,037
Balance at 31 December 2016	1,350,000,000	970,000,000	158,080,000	4,209,543,138	6,687,623,138

Note	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
			Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2017					
Balance at 1 January 2017	1,350,000,000	970,000,000	158,080,000	4,209,543,138	6,687,623,138
Transaction with owners, recorded directly in equity					
<i>Distribution to owners of the Company</i>					
Dividends to owners of the Company	-	-	-	(742,495,325)	(742,495,325)
<i>Total distribution to owners of the Company</i>	-	-	-	(742,495,325)	(742,495,325)
Total transaction with owners, recorded directly in equity	-	-	-	(742,495,325)	(742,495,325)
Comprehensive income for the year					
Profit or loss	-	-	-	946,503,251	946,503,251
Other comprehensive income	-	-	-	-	-
<i>Total comprehensive income for the year</i>	-	-	-	946,503,251	946,503,251
Balance at 31 December 2017	1,350,000,000	970,000,000	158,080,000	4,413,551,064	6,891,631,064

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

Central Plaza Hotel Public Company Limited and its Subsidiaries
Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2017	2016	2017	2016
		(in Baht)			
Cash flows from operating activities					
Profit for the year		2,091,400,394	1,956,121,534	946,503,251	962,926,037
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Doubtful debts expense (reversal of)	6	6,469,761	692,982	4,144,730	(52,872)
Loss on decline in value of inventory (reversal of)	7	(1,856,395)	562,946	-	-
Depreciation and amortisation		1,913,964,391	2,081,571,594	349,032,754	346,831,712
Impairment loss on investment in an associate	9	-	-	61,376,911	25,450,548
Impairment loss on investment in a subsidiary	10	-	-	1,000,000	-
Impairment loss on loans to a related party	4	-	-	23,500,000	-
Loss on disposal of buildings, equipment and leasehold rights		114,772,140	132,003,986	15,385,973	13,383,396
Loss from written off other intangible assets		2,086,271	2,011,048	1,374,589	-
Share of (profit) loss of investment in an associate	9	34,534,963	(34,031,534)	-	-
Non-current provisions for employee benefit		26,783,158	25,748,925	8,074,017	7,571,797
Gain from decommissioning		(1,060,742)	(830,001)	-	-
Finance costs		223,877,715	298,537,239	166,118,229	189,215,717
Realisation of deferred income		(200,043,592)	(222,654,092)	(125,938,244)	(135,928,960)
Reversal of losses from discontinued branches		(7,582,724)	(20,243,297)	-	-
Dividend income		-	-	(867,117,880)	(743,470,996)
Tax expense		407,556,796	414,510,472	38,885,381	55,513,150
		4,610,902,136	4,634,001,802	622,339,711	721,439,529
<i>Changes in operating assets and liabilities</i>					
Trade and other current receivables		45,748,243	(15,464,185)	17,876,721	73,466,616
Inventories		(24,459,792)	(106,248,795)	1,475,738	(1,853,316)
Other current assets		(18,695,273)	41,611,077	(37,468,370)	26,311,348
Other non-current assets		(33,007,646)	(16,496,870)	(195,439)	3,313,661
Trade and other current payables		433,482,613	(126,945,627)	26,228,775	(14,988,596)
Other current liabilities		16,343,214	28,652,220	31,044,804	(11,986,851)
Deferred income		142,578,562	107,390,226	71,793,617	81,729,269
Employee benefit paid		(15,699,359)	(6,731,309)	(8,081,168)	(4,387,879)
Decommissioning paid		(4,466,337)	(3,854,185)	-	-
Other non-current liabilities		(2,819,005)	(6,385,184)	(535,299)	3,503,574
Net cash generated from operating		5,149,907,356	4,529,529,170	724,479,090	876,547,355
Tax paid		(328,483,635)	(364,702,913)	(14,477,715)	(42,345,200)
Net cash from operating activities		4,821,423,721	4,164,826,257	710,001,375	834,202,155

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

Central Plaza Hotel Public Company Limited and its Subsidiaries
Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2017	2016	2017	2016
		(in Baht)			
Cash flows from investing activities					
Proceeds from loans to related parties	4	-	-	5,488,740,000	8,994,270,000
Loans to related parties	4	(95,041,577)	-	(4,977,040,000)	(9,137,930,000)
Decrease (increase) in current investments		55,703,350	(153,746,050)	-	-
Decrease in loans to other parties		5,000,000	97,221,118	-	-
Acquisition of property, plant and equipment		(1,371,116,931)	(1,444,439,705)	(115,623,465)	(137,236,689)
Acquisition of intangible assets		(94,292,840)	(66,223,509)	(559,140)	(1,121,298)
Acquisition of leasehold rights	15	(1,718,290,927)	(167,289,024)	(1,249,519,999)	(110,730,000)
Paid for investment in an associate	9	(1,887,666)	-	-	-
Paid for investment in a subsidiary	10	-	-	-	(50,000,000)
Proceeds from redemption of investment in property fund		6,325,293	6,341,512	6,325,293	6,341,512
Decrease (increase) in prepayment for construction		(6,202,807)	5,408,130	-	4,234,999
Dividends received from subsidiaries		-	-	840,275,932	683,988,914
Dividends received from an associate		26,841,949	59,482,082	26,841,948	59,482,082
Proceeds from disposal of buildings and equipment		3,792,418	8,607,422	438,341	164,534
Net cash from (used in) investing activities		(3,189,169,738)	(1,654,638,024)	19,878,910	311,464,054
Cash flows from financing activities					
Increase (decrease) in short-term loans from financial institutions, net		(551,485,017)	313,173,230	-	(250,000,000)
Interest paid		(232,026,682)	(298,589,081)	(176,493,298)	(190,095,544)
Dividends paid to owners of the Company		(742,495,325)	(674,873,650)	(742,495,325)	(674,873,650)
Dividends paid from subsidiary to non-controlling interests		(125,111,286)	(91,704,440)	-	-
Reduction of share capital of a subsidiary	10	(132,565,798)	-	-	-
Increase in loans from related parties	4	-	-	2,008,300,000	811,250,000
Repayments of loans from related parties	4	-	-	(1,159,700,000)	(1,048,850,000)
Repayments of short-term loans from other parties		-	(1,804,430)	-	-
Proceeds from issuing of debentures		-	4,280,000,000	-	4,280,000,000
Repayments of debentures		(1,000,000,000)	(3,300,000,000)	(1,000,000,000)	(3,300,000,000)
Finance lease payments		-	(6,178,035)	-	(4,973,847)
Proceeds from long-term loans from financial institutions		1,216,857,727	74,122,440	494,616,760	-
Repayments of long-term loans from financial institutions		(344,423,814)	(2,205,169,000)	-	(354,000,000)
Purchase of additional shares of subsidiaries	10	-	-	(160,000,000)	(420,000,000)
Net cash used in financing activities		(1,911,250,195)	(1,911,022,966)	(735,771,863)	(1,151,543,041)
Net increase (decrease) in cash and cash equivalents		(278,996,212)	599,165,267	(5,891,578)	(5,876,832)
Cash and cash equivalents at 1 January		976,290,018	377,124,751	26,589,497	32,466,329
Cash and cash equivalents at 31 December		697,293,806	976,290,018	20,697,919	26,589,497
Cash and cash equivalents		701,414,234	989,295,408	20,697,919	32,932,202
Bank overdrafts		(4,120,428)	(13,005,390)	-	(6,342,705)
		697,293,806	976,290,018	20,697,919	26,589,497

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

CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO **FINANCIAL STATEMENTS**For the year ended **31 DECEMBER 2017**

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Central Plaza Hotel Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 22 February 2018.

1 General information

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

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

The Company’s major shareholders during the financial year were Chirathivat group (62.7% shareholding).

The principal businesses of the Company and its subsidiaries are to operate the hotel business, hotel management and food and beverage business. Details of the Company’s subsidiaries as at 31 December 2017 and 2016 are given in note 10.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2017. The application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements.

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

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Available-for-sale investments	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in note 3 (o)

Central Plaza Hotel Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency.

(d) Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

Note 9	Classification of investment in an associate
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(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognised in the financial statements is included in the following notes:

Notes 9, 10 and 14	Impairment test: key assumptions underlying recoverable amounts;
Note 22	Measurement of defined benefit obligations: key actuarial assumptions;
	and
Notes 23 and 36	Recognition and measurement of provision and contingency: key assumptions about the likelihood and magnitude of an outflow of resources.

Measurement of fair values

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

Significant valuation issues are reported to the Group’s Audit Committee.

Central Plaza Hotel Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the relevant notes.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as described in subsidiaries section, other than those with entities under common control.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Central Plaza Hotel Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Central Plaza Hotel Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve in equity until disposal of the investment except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Hedging

Hedge of interest rates

Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged debentures.

Central Plaza Hotel Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(e) Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured 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.

(g) Investments

Investments in associates and subsidiaries

Investments in associates and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

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.

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets and assets under sublease agreement

Property, plant and equipment and assets under sublease agreement are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

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Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	10 - 25 years or lease period
Buildings and building improvements	10 - 50 years
Machinery and equipment	5 - 30 years
Furniture, fixtures and office equipment	3 - 19 years
Leasehold improvements	3 - 20 years
Vehicles	5 - 10 years

No depreciation is provided on freehold land, hotel operating equipment and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Goodwill*

Goodwill arises upon the acquisition of subsidiaries. The measurement of goodwill at initial recognition is described in note 3 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

(k) *Leasehold right*

Leasehold right is prepaid rental expense that is capitalised and amortised using the straight-line method over the lease period. Leasehold right is measured at cost less accumulated depreciation and impairment losses.

(l) *Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

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Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Software licences	10	years
Licence agreements	10	years
Deferred initial fees	10	years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(m) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Trade and other payables

Trade and other payables are stated at cost.

(o) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(q) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

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.

Loyalty programmes

The Group has a customer loyalty programme whereby customers are awarded credits (points) entitling customers to the right to purchase products from the Group at a discount or qualify for a free gift.

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.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(r) Finance costs

Interest expense and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

(s) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(t) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(v) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Related parties

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

Relationships with subsidiaries and associates are described in notes 9 and 10. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Thai Business Fund 4	Thailand	Related parties
Central Department Store Co., Ltd.	Thailand	Common shareholders and directors
Hong Central Department Store Co., Ltd.	Thailand	Common shareholders and directors
Central International Development Co., Ltd.	Thailand	Common shareholders and directors
Central Pattana Public Company Limited	Thailand	Common shareholders and directors
Power Buy Co., Ltd.	Thailand	Common shareholders and directors
Central World Co., Ltd.	Thailand	Common directors
Tieng Chirathivat Co., Ltd.	Thailand	Common directors
AAPC (Thailand) Co., Ltd.	Thailand	Shareholder of a subsidiary

Central Plaza Hotel Public Company Limited and its Subsidiaries

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

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

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Subsidiaries				
Rental income	-	-	2,930	4,774
Interest income	-	-	107,509	124,920
Management fee income	-	-	203,968	312,043
Income from loan guarantee	-	-	12,811	20,436
Dividend income	-	-	840,276	683,989
Interest expense	-	-	11,394	13,052
Other expenses	-	-	5,207	5,308
Rental expense	-	-	6,974	8,690
Management fee expense	-	-	143,416	66,566
Associates				
Rental income	100,333	100,333	50,333	50,333
Dividend income	26,842	59,482	26,842	59,482
Rental expense	177,284	172,067	-	-
Other related parties				
Rental income	14,279	14,279	-	-
Management fee income	15,183	11,921	-	-
Other income	18,310	18,908	-	-
Rental expense	158,950	152,407	117,499	112,727
Electricity expense	34,823	36,436	34,823	36,436
Management fee expense	31,725	30,699	13,892	13,230
Other service fees	15,565	15,649	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	76,731	83,845	76,731	83,845
Post-employment benefits	2,593	2,852	2,593	2,852
Total key management personnel compensation	79,324	86,697	79,324	86,697

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Balances as at 31 December with related parties were as follows:

<i>Receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	47,038	52,268
Other related parties	43,511	55,995	2,226	2,145
Total	43,511	55,995	49,264	54,413

<i>Loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Subsidiaries	3.0 - 3.5	3.5 - 4.2	-	-	809,300	813,800
Long-term loans						
Subsidiaries	3.0 - 3.5	2.0 - 4.2	-	-	2,217,050	2,747,750
Associates	6.6 - 6.8	-	95,042	-	-	-
			95,042	-	2,217,050	2,747,750
Total			95,042	-	3,026,350	3,561,550

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

<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	3,561,550	3,417,890
Increase	-	-	4,977,040	9,137,930
Decrease	-	-	(5,488,740)	(8,994,270)
Less allowance for impairment	-	-	(23,500)	-
At 31 December	-	-	3,026,350	3,561,550
Associates				
At 1 January	-	-	-	-
Increase	95,042	-	-	-
At 31 December	95,042	-	-	-

<i>Payables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	21,658	19,181
Other related parties	27,705	21,219	344	50
Total	27,705	21,219	22,002	19,231

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<i>Loans from related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Subsidiaries	2.0 - 3.0	1.6 - 4.2	-	-	1,272,900	424,300
Long-term loans						
Other related parties	3.0	3.0	60,989	66,382	-	-
Total			60,989	66,382	1,272,900	424,300

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

<i>Loans from related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Short-term loans				
Subsidiaries				
At 1 January	-	-	424,300	661,900
Increase	-	-	2,008,300	811,250
Decrease	-	-	(1,159,700)	(1,048,850)
At 31 December	-	-	1,272,900	424,300
Long-term loans				
Other related parties				
At 1 January	66,382	66,860	-	-
Effect on exchange rate	(5,393)	(478)	-	-
At 31 December	60,989	66,382	-	-

Significant agreements with related parties

a) Long-term lease agreements

The Company

1) Centara Grand at Central Plaza Ladprao Bangkok (formerly Sofitel Centara Grand Bangkok) Project

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

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

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On 9 December 2008, CID entered into a new land and building lease agreement of 20 years lease term with SRT. The Company then signed the memorandum of agreement with CID in order to preserve and affirm of undertaking the right to enter into the new sublease agreement with CID. The Company has to pay the guarantee deposit on land and building lease agreement of Centara Grand at Central Plaza Ladprao Bangkok (formerly Sofitel Centara Grand Bangkok), 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’s building and hotel building improvements including durable goods for a period of 20 years. The lease will expire on 18 December 2028. The Company was required to pay the sublessor of Baht 2,556 million for the subleasing right and annual rent for the whole lease term. In addition, the Company was required to pay durable goods rental fee totalling Baht 31 million for the whole lease term. The Company recorded durable goods rental fee as asset under finance lease.

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

Subsidiaries

2) Centara Grand Beach Resort Samui Project

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

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

- 1 Central Samui Beach Resort Co., Ltd. (“CSBR”) entered into the land lease agreement with CTARAF for lease the land to CTARAF for the period of 30 years commencing from the date on which both parties register the lease agreement (26 September 2008). CTARAF agreed to pay the land lease fee in the total amount of Baht 1,500 million with full payment on the date on which the lease was registered. CSBR recognised such proceeds from lease as deferred income in its financial position and amortises to income using the straight line method over the lease term of 30 years. As at 31 December 2017, the balance of deferred income was Baht 1,036.7 million (2016: Baht 1,086.7 million) in the consolidated financial statements.
- 2 Central Plaza Hotel Public Company Limited (“CPH”) entered into the property lease agreement with Centara Grand Beach Resort Samui Hotel, including the utility facilities and related equipment with CTARAF in order to lease to CTARAF for the period of 30 years commencing from the date that both parties registered the lease agreement (26 September 2008). CTARAF agreed to pay the property lease fee in the total amount of Baht 1,510 million with full payment on the date on which the lease was registered. CPH recognised such proceeds from lease as deferred income in the statement of financial position of the Company and amortises to income using the straight line method over the lease term of 30 years. As at 31 December 2017, the balance of deferred income was Baht 1,044.0 million (2016: Baht 1,094.1 million).

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

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

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

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

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

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

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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 has confirmed that new rental rate would be the same as the previous rental rate. Whereas CSHM proposed that new rental rate would be 100% of EBITDA. Therefore, the Management Company of CTARAF and CSHM cannot 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. The Management Company is in the process of negotiating and considering other possible alternatives, including the process of seeking a new sublessee.

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

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

On 29 December 2016, the Management Company of CTARAF reported to the Stock Exchange of Thailand that the Management Company have affirmed to appoint a financial advisor to further study and recommend different conditions of the sublease proposals to the Management Company together with negotiate such conditions to the greatest advantage to unitholders. Besides, the Management Company is on the progress of selecting the independent financial advisor to evaluate on the proposals.

Furthermore, on 27 February 2017, the Management Company of CTARAF reported to the Stock Exchange of Thailand that the Management Company has appointed a consultant to search for the other sublease proposals of Centara Grand Beach Resort Samui Hotel Project. The consultant will prepare documents as well as advise and contact interested parties who would like to propose the sublease proposals in order to gain conditions that benefit unitholders. The Management Company is still in progress of preparing documents for the selection of sub-lessor. In addition, the independent financial advisor to evaluate the proposals is on the selecting process.

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On 13 March 2017, the Management Company of CTARAF reported to the Stock Exchange of Thailand that the Management Company is in a process of 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. However, there was no proposal submitted by any persons interested in submitting the proposal on such date and during such time prescribed in the term of reference on search of the sub-lessee.

On 25 May 2017, the Management Company of CTARAF has appointed an independent financial advisor for CTARAF to analyze and provide suggestion regarding the sublease proposals of Centara Grand Beach Resort Samui Hotel Project as well as present in the Unitholders' Meeting for further approval.

On 8 August 2017, the Management Company of CTARAF reported to the Stock Exchange of Thailand that the Management Company of CTARAF together with a financial advisor to the Fund, a legal advisor to the Fund, and the Fund Advisor, have started negotiating the sublease proposal options for Centara Grand Beach Resort Samui Hotel with CSHM. In the meantime, an independent financial advisor to the Fund has started conducting a study and an analysis on and has been preparing an opinion in relation to the sublease proposal options for Centara Grand Beach Resort Samui Hotel, in order to obtain the sublease proposal options for Centara Grand Beach Resort Samui Hotel that provide the highest benefits to both the Fund and its unitholders.

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 increase 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 a 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.

After the expiry of the sublease agreement in September 2014 until 31 December 2017, CSHM had continued to process and operate Centara Grand Beach Resort Samui Hotel without a written sublease agreement. CSHM recorded and paid rental fee to CTARAF at a rate of 100 percent of EBITDA since the expiry date of the agreement until 31 December 2017, totalling Baht 531 million. This rental fee which CSHM recorded is the same rate as the rental rate which unitholders approved the resolution regarding the rental fee during such period in the unitholders' meeting on 28 November 2017.

3) Central World Hotel Co., Ltd.

On 28 April 2005, Central World Hotel Co., Ltd. ("CWH") entered into a sublease agreement of hotel land and building with Thai Business Fund 4 ("the Fund") to develop and to operate a hotel or other related businesses. CWH is required to pay rental in advance and annual rental fee totalling Baht 1,188.8 million to the Fund up to the end of the agreement on 22 December 2032. CWH paid the rental in advance upon signing the agreement of Baht 275 million and recorded the prepayment as leasehold right in the consolidated statement of financial position. For the year ended 31 December 2017, CWH recorded rental expense of Baht 36.5 million (2016: Baht 34.7 million).

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

4) Cusi Hotel Co., Ltd.

On 8 August 2016, Cusi Hotel Co., Ltd. ("COSI") entered into a land sublease agreement of Central Festival Samui Project with Central World Co., Ltd. ("CTW") to develop Cusi Hotel, Samui. COSI is required to pay sublease fees at Baht 62 million for the total 37 years 2 months of sublease period. COSI paid the rental in advance upon signing of the agreement of Baht 6.2 million and Baht 55.8 million in March 2017 and recorded the prepayment as leasehold right in the consolidated statement of financial position. For the year ended 31 December 2017, COSI recorded rental expense of Baht 2.3 million (2016: Baht 1 million).

Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable leases were payable as stated in note 4 (a) as follows.

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Within one year	539,781	541,333	124,420	117,380
After one year but within five years	1,171,368	981,917	743,440	544,280
After five years	1,272,564	1,651,219	772,070	1,095,650
Total	2,983,713	3,174,469	1,639,930	1,757,310

b) Long-term service agreements

The Company

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

- The Company entered into management agreements with its 7 subsidiaries in the hotel group to manage the hotel operations. Under the said agreements, the Company would receive management fee as specified in the agreements.
- The Company entered into a management agreement with Central Restaurants Group Co., Ltd. ("CRG"), for the operational management of CRG. Under the said agreement, the Company would receive a monthly fixed management fee. The aforesaid agreement was terminated on 31 December 2016.

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

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

Central Plaza Hotel Public Company Limited and its Subsidiaries

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

On 1 January 2013 and 1 July 2016, the Company entered into management fee agreements with Centara International Management (Thailand) Co., Ltd. and Centara International Management Co., Ltd., respectively. The stated agreements shall continue effective in full force until either party terminates the agreement or ceases its business operation. Such agreements due on monthly basis term and the Company would receive management fees at the rates specified in the agreements.

On 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 1,000,000 per month, the agreement is automatically renewable annually with a 5% increase of service fee every year.

On 28 November 2016, the Company entered into a service agreement with Centara Management Headquarters Limited in order to receive regulatory services, order and control hotel operations under the hotel name. The agreement is effective from 1 July 2016 to 31 December 2017. The Company agrees to pay service fee at the rate specified in the agreement.

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

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 2017, the balance of deferred income was Baht 97.6 million (2016: Baht 111.8 million) in the consolidated financial statements.

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

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

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On 1 August 2017, Central Restaurants Group Co., Ltd. (“CRG”) entered into human resources management service agreement with Harn Central Department Store Co., Ltd. in order to receive human resources management service to enhance efficiency and support the growth of business by agreeing to pay service fee specified in the agreement. The agreement has a period of 1 year, commencing from 1 January 2017 to 31 December 2017. 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.

c) 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 2023. According to the terms of the agreements, CRG has to pay monthly rental and service charges at fixed rates or at certain percentages of gross sales as follows:

	Consolidated financial statements	
	2017	2016
	(in thousand Baht)	
Operating lease commitments (only fixed rental and service fees and minimum lease payment)		
Within one year	346,345	358,585
After one year but within five years	213,566	274,032
After five years	22,714	2,789
Total	582,625	635,406

d) Long-term loans agreements

Loans to an associate

On 28 September 2017, a foreign subsidiary entered into an agreement with the another shareholder of an associate to provide loans to the associate for land acquisition, hotel construction, and others as specified in the joint venture agreement, according to their shareholding interest, as being informed each time by the associate. Such loans have an interest rate as specified in the agreement with repayment term of the full amount of principal together with interests within 2115.

Loans from related parties

A subsidiary has long-term loans from related parties. Such loans are promissory notes which have repayment term upon the earlier of 31 December 2020 and the loss of a controlling interest in the borrower by the parent company of the borrower.

e) Commitments under agreements with related parties

The Company

The Company and a director of the Company provided guarantees to various local financial institutions for loans facility of three subsidiaries in the amount of Baht 2,347 million. As at 31 December 2017, the outstanding loans were Baht 1,425 million (2016: Baht 1,708 million).

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Subsidiary

As at 31 December 2017, Central Restaurants Group Co., Ltd. had commitments to a financial institution for guarantees of bank overdraft and long-term loan facility of a subsidiary totalling Baht 55.8 million (2016: Baht 55.8 million).

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Cash on hand	76,765	93,170	1,626	2,028
Cash at banks - current accounts	415,321	187,720	17,768	26,251
Cash at banks - savings accounts	207,975	198,405	1,304	4,653
Highly liquid short-term investments	1,353	510,000	-	-
Cash and cash equivalents in the statement of financial position	701,414	989,295	20,698	32,932
Bank overdrafts used for cash management purposes	(4,120)	(13,005)	-	(6,343)
Cash and cash equivalents in the statement of cash flows	697,294	976,290	20,698	26,589

6 Trade and other current receivables

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Trade receivables - other parties		418,605	424,526	89,761	83,662
Less allowance for doubtful accounts		(11,486)	(5,016)	(4,511)	(366)
Trade receivables - net		407,119	419,510	85,250	83,296
Other receivables		348,197	357,002	63,734	82,178
Receivables from related parties	4	43,511	55,995	49,264	54,413
		798,827	832,507	198,248	219,887
Prepaid expenses		56,592	68,564	16,562	16,945
Advance to suppliers		4,611	36,812	-	-
Total		860,030	937,883	214,810	236,832
Doubtful debts expense (reversal) for the year		6,470	693	4,145	(53)

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	318,619	341,236	82,409	79,383
Overdue:				
Less than 3 months	78,157	55,052	5,517	2,423
3 - 6 months	5,761	19,264	63	327
6 - 12 months	2,672	2,956	591	83
Over 12 months	13,396	6,018	1,181	1,446
	418,605	424,526	89,761	83,662
Less allowance for doubtful accounts	(11,486)	(5,016)	(4,511)	(366)
Net	407,119	419,510	85,250	83,296

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

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Food and beverage	81,774	83,279	15,168	16,899
Raw materials	476,238	525,455	-	-
Work in process	3,204	1,842	-	-
Finished goods	7,095	4,468	-	-
Operating supplies	225,940	147,937	9,476	9,153
Others	15,432	22,242	1,155	1,223
	809,683	785,223	25,799	27,275
Less allowance for obsolete stock	(2,607)	(4,463)	-	-
Net	807,076	780,760	25,799	27,275
Inventories recognised as an expense in 'cost of sales':				
- Cost	4,705,031	4,447,711	302,777	290,883
- Write-down to net realisable value (reversal of)	(1,856)	563	-	-
Net	4,703,175	4,448,274	302,777	290,883

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8 Other current assets

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Withholding income tax and value added tax receivable	126,896	83,058	56,309	15,888
Undue input tax	49,239	64,102	1,875	2,205
Others	360	21,426	100	-
Total	176,495	168,586	58,284	18,093

9 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Associates				
At 1 January	594,317	626,109	594,317	626,109
Acquisition	1,887	-	-	-
Share of profit (loss) of investment in an associate	(34,535)	34,032	-	-
Unit redeemed	(6,325)	(6,342)	(6,325)	(6,342)
Dividend income	(26,842)	(59,482)	-	-
Allowance for impairment	-	-	(61,378)	(25,450)
At 31 December	528,502	594,317	526,614	594,317

On 24 May 2017, Centara Capital Limited (indirect subsidiary) made a new investment in 40% of the issued and paid-up capital of Nakheel CT Deira Islands Hotel - FZCO, incorporated in United Arab Emirates, for a consideration of Baht 1.9 million. Nakheel CT Deira Islands Hotel - FZCO thereby became an associate of the Group.

Central Plaza Hotel Public Company Limited and its Subsidiaries
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Investments in associates as at 31 December 2017 and 2016, and dividend income for the years then ended, were as follows:

Consolidated financial statements										
Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Equity		Dividend income
		2017	2016	2017	2016	2017	2016	2017	2016	
(in thousand Baht)										
Associates										
Centara Hotels & Resorts										
Leasehold Property Fund	Thailand	25.3	25.3	3,060,480	3,085,440	774,747	781,071	526,615	594,317	26,842
Nakheel CT										59,482
Deira Islands	United Arab									
Hotel - FZCO	Emirates	40.0	-	4,720	-	1,887	-	1,887	-	-
Total						776,634	781,071	528,502	594,317	26,842
										59,482

As at 31 December 2017, the closing price of Centara Hotels & Resorts Leasehold Property Fund was Baht 5.15 (2016: Baht 4.60). The fair value of investment in Centara Hotels & Resorts Leasehold Property Fund was Baht 418 million (2016: Baht 373 million).

Separate financial statements											
	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividend income
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
	(in thousand Baht)										
Associate											
Centara Hotels & Resorts											
Leasehold Property Fund	25.3	25.3	3,060,480	3,085,440	774,747	781,071	(248,133)	(186,754)	526,614	594,317	26,842
Total					774,747	781,071	(248,133)	(186,754)	526,614	594,317	26,842
											59,482
											59,482

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

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10 Investments in subsidiaries

	Separate financial statements	
	2017	2016
<i>(in thousand Baht)</i>		
At 1 January	5,602,582	5,132,582
Acquisitions	160,000	470,000
Allowance for impairment	(1,000)	-
At 31 December	5,761,582	5,602,582

On 20 January 2017, the shareholders of Centara Management Headquarters Limited (subsidiary) had resolution to increase registered capital in amount of Baht 640 million by issuing new ordinary shares in the total of 6,400,000 shares at Baht 100 per share, and called-up for 25% payment of new ordinary shares. The Company made an investment for a consideration of Baht 160 million in the subsidiary on 6 October 2017.

On 11 September 2017, Centara Capital Limited (indirect subsidiary) made an investment in 100% of the issued and paid-up capital of Lagoon Assets Private Limited, incorporated in Republic of Maldives, for a consideration of Baht 1.1 million. Lagoon Assets Private Limited thereby became an indirect subsidiary of the Group.

During 2017, Centara International Management Co., Ltd. (subsidiary) made additional investments in 100% of new ordinary shares of Centara (Shanghai) Hotel Management Co., Ltd., an indirect subsidiary of the Group, for a consideration of Baht 16.6 million.

During 2017, Centara Management Headquarters Limited (subsidiary) made additional investments in 100% of new ordinary shares of Centara Capital Limited, an indirect subsidiary of the Group, for a consideration of Baht 73.89 million.

On 16 March 2017, the shareholders of Centara Maldives Pvt. Ltd. (indirect subsidiary) approved for the reduction of share capital of Baht 530 million by decreasing par value per share from Maldivian Rufiyaa 15 per share to Maldivian Rufiyaa 9.16 per share. The reduction of share capital was fully paid in March 2017.

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 five 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 judgmental in nature because its forecasted results is based on current economic situation while future economic outcomes is uncertain.

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Investments in subsidiaries as at 31 December 2017 and 2016, and dividend income from those investments for the years then ended, were as follows:

Separate financial statements													
Name of subsidiary	Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016		
<i>Direct subsidiaries</i>													
Central Samui Beach Resort Co., Ltd.	Hotel	100	100	670,000	670,000	814,383	814,383	-	-	814,383	814,383	130,650	125,000
Central Karon Village Co., Ltd.	Hotel	100	100	37,500	37,500	76,500	76,500	-	-	76,500	76,500	6,750	5,625
Central Krabi Bay Resort Co., Ltd.	Hotel	100	100	500,000	500,000	500,000	500,000	-	-	500,000	500,000	-	-
Central Hua Hin Beach Resort Co., Ltd.	Hotel	63.9	63.9	185,000	185,000	198,905	198,905	-	-	198,905	198,905	94,648	94,648
Central World Hotel Co., Ltd.	Hotel	100	100	1,800,000	1,800,000	1,800,000	1,800,000	-	-	1,800,000	1,800,000	-	-
Central Koh Kood Hotel Co., Ltd.	Not operate yet	100	100	120,000	120,000	120,000	120,000	-	-	120,000	120,000	-	-
Central Hotel Management Co., Ltd.	Hotel Holding company	100	100	250,000	250,000	250,000	250,000	-	-	250,000	250,000	-	-
Central Restaurants Group Co., Ltd.	Food and beverage	100	100	620,000	620,000	669,607	669,607	-	-	669,607	669,607	267,500	280,000
Triplenne Décor Co., Ltd.	Not operate yet	100	100	80,000	80,000	80,000	80,000	-	-	80,000	80,000	-	-
Central Samui Hotel Management Co., Ltd.	Hotel Holding company	100	100	1,250	1,250	1,250	1,250	-	-	1,250	1,250	-	-
Centara International Management Co., Ltd.	Hotel and hotel management	100	100	150,000	150,000	150,000	150,000	-	-	150,000	150,000	60,000	66,000
S.P. Realty Had Farang Resort Co., Ltd.	Not operate yet	100	100	88,500	88,500	88,500	88,500	-	-	88,500	88,500	-	-
S.P. Realty Pattaya Beach Co., Ltd.	Not operate yet	100	100	80,000	80,000	80,000	80,000	-	-	80,000	80,000	-	-
Refresh Zone Co., Ltd.	Spa	100	100	1,000	1,000	1,000	1,000	(1,000)	-	-	1,000	-	-
Central Bangkok Convention & Exhibition Co., Ltd.	Not operate yet	100	100	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
Centara International Management (Thailand) Co., Ltd.	Hotel management	100	100	25,000	25,000	25,000	25,000	-	-	25,000	25,000	30,000	21,000
Karon Phuket Hotel Co., Ltd.	Hotel	99.3	99.3	520,000	520,000	479,187	479,187	-	-	479,187	479,187	61,968	77,460
Così Hotel Co., Ltd.	Hotel	100	100	30,000	30,000	30,000	30,000	-	-	30,000	30,000	-	-
Centara Import-Export Co., Ltd.	Import and export	100	100	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-

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Separate financial statements												
Name of subsidiary	Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividend income
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
(in thousand Baht)												
Direct subsidiaries												
Così Hotel Management Co., Ltd.	Not operate yet	100	100	1,250	1,250	1,250	1,250	-	-	1,250	1,250	-
Centara Loyalty Marketing Co., Ltd.	Offer privileges for customers	100	100	12,500	12,500	12,500	12,500	-	-	12,500	12,500	15,000
Centara Learning Centre Co., Ltd.	Learning centre	100	100	2,500	2,500	2,500	2,500	-	-	2,500	2,500	-
Kata Phuket Hotel Co., Ltd.	Hotel	99	99	120,000	120,000	170,000	170,000	-	-	170,000	170,000	23,760
Centara Management Headquarters Limited	Hotel management	100	100	210,000	50,000	210,000	50,000	-	-	210,000	50,000	150,000
Total				5,762,582	5,602,582	5,762,582	5,602,582	(1,000)	-	5,761,582	5,602,582	683,989
Indirect subsidiaries												
Central Sukhontha Hotel Co., Ltd.	Hotel	100	100	145,000	145,000	-	-	-	-	-	-	-
Central Samui Village Co., Ltd.	Hotel	100	100	55,000	55,000	-	-	-	-	-	-	-
Central Mae Sot Hill Hotel Co., Ltd.	Hotel	98.4	98.4	190,000	190,000	-	-	-	-	-	-	-
CRG Manufacturing Co., Ltd.	Food and beverage	100	100	160,000	160,000	-	-	-	-	-	-	-
Central Laundry Services Co., Ltd.	Not operate yet	100	100	1,500	1,500	-	-	-	-	-	-	-
CRG International Food Co., Ltd.	Food and beverage	100	100	179,760	179,760	-	-	-	-	-	-	-
S.P. Realty Lanta Beach Co., Ltd.	Not operate yet	100	100	36,000	36,000	-	-	-	-	-	-	-
Centara Maldives Pvt. Ltd.	Hotel	75	75	797,223	1,327,486	-	-	-	-	-	-	-
R.M.L. Leisure Pvt. Ltd.	Hotel	74	74	483,886	483,886	-	-	-	-	-	-	-
Centara (Shanghai) Hotel Management Co., Ltd.	Not operate yet	100	100	48,385	31,770	-	-	-	-	-	-	-
CIM for Hotel Management - Egypt, S.A.E.	Not operate yet	100	100	577	577	-	-	-	-	-	-	-
Centara Capital Limited	Holding company	100	100	74,807	914	-	-	-	-	-	-	-
Lagoon Assets Private Limited	Not operate yet	100	-	1,070	-	-	-	-	-	-	-	-
Total				-	-	-	-	-	-	-	-	-

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Central Plaza Hotel Public Company Limited and its Subsidiaries

Notes to the financial statements For the year ended 31 December 2017

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

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

Central Plaza Hotel Public Company Limited and its Subsidiaries

Notes to the financial statements For the year ended 31 December 2017

11 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations:

	31 December 2017				
	Central Hua Hin Beach Resort Co., Ltd.	Centara Maldives Pvt. Ltd.	R.M.L. Leisure Pvt. Ltd.	Other individually immaterial subsidiaries	Total
				(in thousand Baht)	
Non-controlling interests percentage	36.05	25	26		
Current assets	264,810	227,067	169,839		
Non-current assets	160,056	1,323,718	1,315,216		
Current liabilities	(104,383)	(275,496)	(597,019)		
Non-current liabilities	(14,727)	(337,908)	(750,556)		
Net assets	305,756	937,381	137,480		
Carrying amount of non-controlling interests	110,225	234,345	35,745	7,304	517,518
Revenue	609,165	782,705	910,289		
Profit	127,569	138,641	70,855		
Other comprehensive income	-	(112,492)	(37,416)		
Total comprehensive income	127,569	26,149	33,439		
Profit attributable to non-controlling interests	45,989	34,660	18,422	940	100,011
Other comprehensive income attributable to non-controlling interests	-	(28,123)	(9,728)	-	(37,851)

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For the year ended 31 December 2017

	31 December 2016					
	Central Hua Hin Beach Resort Co., Ltd.	Centara Maldives Pvt. Ltd.	R.M.L. Leisure Pvt. Ltd.	Other individually immaterial subsidiaries	Intra-group eliminations	Total
				(in thousand Baht)		
Non-controlling interests percentage	36.05	25	26			
Current assets	239,012	274,588	129,184			
Non-current assets	215,190	1,585,332	1,555,920			
Current liabilities	(110,342)	(118,322)	(706,793)			
Non-current liabilities	(17,672)	(15,752)	(874,269)			
Net assets	326,188	1,725,846	104,042	7,034	129,899	713,036
Carrying amount of non-controlling interests	117,591	431,462	27,050			
Revenue	624,779	903,041	929,094			
Profit	131,677	191,106	40,665			
Other comprehensive income	-	4,304	2,638			
Total comprehensive income	131,677	195,410	43,303	748	-	106,567
Profit attributable to non-controlling interests	47,469	47,777	10,573			
Other comprehensive income attributable to non-controlling interests	-	1,076	686	-	-	1,762

Central Plaza Hotel Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

12 Investment properties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Cost				
At 1 January	643,284	643,284	367,490	367,490
At 31 December	643,284	643,284	367,490	367,490
Accumulated depreciation				
At 1 January	(218,354)	(202,270)	(103,587)	(90,667)
Depreciation charge for the year	(16,075)	(16,084)	(12,920)	(12,920)
At 31 December	(234,429)	(218,354)	(116,507)	(103,587)
Net book value				
At 1 January	424,930	441,014	263,903	276,823
At 31 December	408,855	424,930	250,983	263,903

The fair value of investment properties in consolidated and separate financial statements as at 31 December 2017 of Baht 3,325 million and Baht 1,022 million, respectively (2016: Baht 2,601 million and 1,151 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 occupancy rate, room rate, growth of room rate, 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.

Notes to the financial statements
For the year ended 31 December 2017

Consolidated financial statements

Central Plaza Hotel Public Company Limited and its Subsidiaries

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Central Plaza Hotel Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Consolidated financial statements							
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Total
<i>Net book value</i>								
At 1 January 2016								
Owned assets	2,410,744	458,814	10,513,216	2,863,199	1,346,160	430,695	524,422	18,880,240
Assets under finance leases	-	-	6,019	-	53	-	27,982	35,241
	2,410,744	458,814	10,519,235	2,863,199	1,346,213	430,695	552,404	18,915,481
At 31 December 2016 and 1 January 2017								
Owned assets	2,410,744	417,164	10,090,315	2,691,210	1,293,252	448,763	523,292	18,288,243
Assets under finance leases	-	-	-	-	-	-	-	-
	2,410,744	417,164	10,090,315	2,691,210	1,293,252	448,763	523,292	18,288,243
At 31 December 2017								
Owned assets	2,410,744	400,744	9,954,387	2,546,855	1,266,838	491,742	472,428	17,884,382
Assets under finance leases	-	-	-	-	-	-	-	-
	2,410,744	400,744	9,954,387	2,546,855	1,266,838	491,742	472,428	17,884,382

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 6,603 million (2016: Baht 6,098 million).

Central Plaza Hotel Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Separate financial statements							
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Total
<i>Cost</i>								
At 1 January 2016								
Additions	774,987	284,831	2,014,339	1,120,975	520,448	121,143	815,097	5,778,864
Transfers	-	2,776	4,163	20,057	18,365	17,588	1,010	74,897
Disposals	-	-	59,315	19,234	4,924	-	-	(2,434)
	-	-	-	(3,855)	(5,510)	(12,235)	(4,002)	(26,837)
At 31 December 2016 and 1 January 2017								
Additions	774,987	287,607	2,077,817	1,156,411	538,227	126,496	812,105	5,888,449
Transfers	-	3,481	17,451	19,668	5,144	35,736	-	31,114
Disposals	-	8,551	5,990	5,845	1,146	-	-	(23,053)
	-	-	-	(5,208)	(2,750)	(12,892)	-	(28,481)
At 31 December 2017	774,987	299,639	2,101,258	1,176,716	541,767	149,340	812,105	5,971,278
<i>Depreciation and impairment losses</i>								
At 1 January 2016								
Depreciation charge for the year	-	103,038	313,198	480,565	297,788	-	250,194	1,502,874
Disposals	-	15,738	40,726	73,237	40,998	-	48,038	219,241
	-	-	-	(2,960)	(5,092)	-	-	(9,287)
At 31 December 2016 and 1 January 2017								
Depreciation charge for the year	-	118,776	353,924	550,842	333,694	-	298,232	1,712,828
Disposals	-	15,037	38,167	68,829	37,524	-	48,659	211,559
	-	-	-	(2,607)	(2,419)	-	-	(12,657)
At 31 December 2017	-	133,813	392,091	617,064	368,799	-	346,891	1,911,730

Central Plaza Hotel Public Company Limited and its Subsidiaries
Notes to the financial statements
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	Separate financial statements								Total	
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Vehicles		Assets under construction
<i>Net book value</i>										
At 1 January 2016										
Owned assets	774,987	181,793	1,701,141	640,410	222,660	121,143	536,921	20,171	48,782	4,248,008
Assets under finance leases	-	-	-	-	-	-	27,982	-	-	27,982
	<u>774,987</u>	<u>181,793</u>	<u>1,701,141</u>	<u>640,410</u>	<u>222,660</u>	<u>121,143</u>	<u>564,903</u>	<u>20,171</u>	<u>48,782</u>	<u>4,275,990</u>
At 31 December 2016 and 1 January 2017										
Owned assets	774,987	168,831	1,723,893	605,569	204,533	126,496	513,873	19,917	37,522	4,175,621
Assets under finance leases	-	-	-	-	-	-	-	-	-	-
	<u>774,987</u>	<u>168,831</u>	<u>1,723,893</u>	<u>605,569</u>	<u>204,533</u>	<u>126,496</u>	<u>513,873</u>	<u>19,917</u>	<u>37,522</u>	<u>4,175,621</u>
At 31 December 2017										
Owned assets	774,987	165,826	1,709,167	559,652	172,968	149,340	465,214	16,811	45,583	4,059,548
Assets under finance leases	-	-	-	-	-	-	-	-	-	-
	<u>774,987</u>	<u>165,826</u>	<u>1,709,167</u>	<u>559,652</u>	<u>172,968</u>	<u>149,340</u>	<u>465,214</u>	<u>16,811</u>	<u>45,583</u>	<u>4,059,548</u>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 291 million (2016: Baht 259 million).

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Central Restaurants Group Co., Ltd. ("CRG") entered into agreements with five 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 2017, the net book value of assets under sub-lease land agreement was Baht 2,164 million (2016: Baht 2,309 million).

14 Goodwill

	Consolidated financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Cost		
At 1 January	314,602	314,602
At 31 December	<u>314,602</u>	<u>314,602</u>

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

CGU

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

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

	Consolidated financial statements			
	Central Restaurants Group Co., Ltd.		CRG International Food Co., Ltd.	
	2017	2016	2017	2016
	<i>(%)</i>			
Growth rate				
Year 1 - 5	6 - 11	5	5	5
After year 5	-	-	-	-
Gross margin	64	64	69	69
Discount rate	7.6	8.6	7.6	8.6

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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.

15 Leasehold rights

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	704,629	730,138	107,116	101,092
Additions	1,718,291	167,289	1,249,520	110,730
Effect of movements in exchange rates	(30,518)	(2,743)	-	-
Disposal	(4,802)	(119)	-	-
Amortisation charge for the year	(284,382)	(189,936)	(116,407)	(104,706)
At 31 December	2,103,218	704,629	1,240,229	107,116

1) A subsidiary acquired leasehold right of Lagoon in Republic of Maldives totalling of Baht 365 million during 2017.

2) During 2017, the Company entered into lease agreement, purchase of durable goods 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.

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Notes to the financial statements

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16 Other intangible assets

	Consolidated financial statements			
	Software licences	Licence agreements	Deferred initial fees	Total
	<i>(in thousand Baht)</i>			
Cost				
At 1 January 2016	264,648	239,926	309,328	813,902
Additions	12,331	-	53,894	66,225
Transfers	3,308	-	-	3,308
Disposals	(6,993)	-	(15,093)	(22,086)
Effect of movements in exchange rates	(249)	-	-	(249)
At 31 December 2016 and 1 January 2017	273,045	239,926	348,129	861,100
Additions	13,476	-	80,818	94,294
Transfers	6,963	-	-	6,963
Disposals	(7,485)	-	(3,918)	(11,403)
Effect of movements in exchange rates	(291)	-	-	(291)
At 31 December 2017	285,708	239,926	425,029	950,663
Amortisation and impairment losses				
At 1 January 2016	192,474	103,969	132,550	428,993
Amortisation charge for the year	29,390	23,993	29,629	83,012
Transfers	11	-	-	11
Reversal of impairment loss	(12)	-	(2,848)	(2,860)
Disposals	(6,318)	-	(13,757)	(20,075)
At 31 December 2016 and 1 January 2017	215,545	127,962	145,574	489,081
Amortisation charge for the year	22,807	23,993	33,223	80,023
Impairment loss from discontinued branches	-	-	1,594	1,594
Disposals	(6,058)	-	(3,259)	(9,317)
At 31 December 2017	232,294	151,955	177,132	561,381
Net book value				
At 1 January 2016	72,174	135,957	176,778	384,909
At 31 December 2016 and 1 January 2017	57,500	111,964	202,555	372,019
At 31 December 2017	53,414	87,971	247,897	389,282

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	Separate financial statements Software licences (in thousand Baht)
<i>Cost</i>	
At 1 January 2016	90,988
Additions	1,121
Transfers	2,434
At 31 December 2016 and 1 January 2017	94,543
Additions	559
Transfers	1,521
Disposals	(5,572)
At 31 December 2017	91,051
<i>Amortisation and impairment losses</i>	
At 1 January 2016	68,013
Amortisation charge for the year	9,085
At 31 December 2016 and 1 January 2017	77,098
Amortisation charge for the year	7,862
Disposals	(4,198)
At 31 December 2017	80,762
<i>Net book value</i>	
At 1 January 2016	22,975
At 31 December 2016 and 1 January 2017	17,445
At 31 December 2017	10,289

17 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Total	147,336	153,843	(248,870)	(200,780)
Set off of tax	(64,151)	(38,839)	64,151	38,839
Net deferred tax assets (liabilities)	83,185	115,004	(184,719)	(161,941)
	Separate financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Total	54,562	57,744	(34,177)	(10,227)
Set off of tax	(34,177)	(10,227)	34,177	10,227
Net deferred tax assets	20,385	47,517	-	-

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Movements in total deferred tax assets and liabilities during the years were as follows:

	Consolidated financial statements			
	(Charged) / Credited to:			
	At 1	Profit or	Other	At 31
	January	loss	comprehensive	December
	2017		income	2017
		(Note 31)		
		(in thousand Baht)		
Deferred tax assets				
Difference on depreciation	35,289	(2,535)	-	32,754
Finance lease liabilities	48,383	(4,002)	-	44,381
Employee benefit obligations	42,993	1,159	-	44,152
Others	27,178	(1,129)	-	26,049
Total	153,843	(6,507)	-	147,336
Deferred tax liabilities				
Difference on depreciation	(199,812)	(47,920)	-	(247,732)
Finance lease liabilities	(787)	(134)	-	(921)
Others	(181)	-	(36)	(217)
Total	(200,780)	(48,054)	(36)	(248,870)
Net	(46,937)	(54,561)	(36)	(101,534)

	Consolidated financial statements			
	(Charged) / Credited to:			
	At 1	Profit or	Other	At 31
	January	loss	comprehensive	December
	2016		income	2016
		(Note 31)		
		(in thousand Baht)		
Deferred tax assets				
Difference on depreciation	36,652	(1,363)	-	35,289
Finance lease liabilities	53,415	(5,032)	-	48,383
Employee benefit obligations	39,384	3,609	-	42,993
Loss carry forward	40,791	(40,791)	-	-
Others	20,990	6,188	-	27,178
Total	191,232	(37,389)	-	153,843
Deferred tax liabilities				
Difference on depreciation	(155,742)	(44,070)	-	(199,812)
Finance lease liabilities	(475)	(312)	-	(787)
Others	(188)	-	7	(181)
Total	(156,405)	(44,382)	7	(200,780)
Net	34,827	(81,771)	7	(46,937)

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	Separate financial statements (Charged) / Credited to:		
	At 1 January 2017	Profit or loss (Note 31) (in thousand Baht)	Other comprehensive income (Note 31) (in thousand Baht)
Deferred tax assets			
Finance lease liabilities	44,136	(3,890)	-
Employee benefit obligations	13,535	(121)	-
Others	73	829	-
Total	57,744	(3,182)	-
Deferred tax liability			
Difference on depreciation	(10,227)	(23,950)	-
Net	47,517	(27,132)	-
	Separate financial statements (Charged) / Credited to:		
	At 1 January 2016	Profit or loss (Note 31) (in thousand Baht)	Other comprehensive income (Note 31) (in thousand Baht)
Deferred tax assets			
Difference on depreciation	12,033	(12,033)	-
Finance lease liabilities	49,361	(5,225)	-
Employee benefit obligations	12,779	756	-
Others	84	(11)	-
Total	74,257	(16,513)	-
Deferred tax liability			
Difference on depreciation	-	(10,227)	-
Net	74,257	(26,740)	-

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
		(in thousand Baht)		
Loss carry forward	35,363	36,747	-	-

The tax losses expire in 2018 - 2022. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

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18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
		(in thousand Baht)		
Deposits	496,533	459,114	3,945	3,716
Advance payment for construction	15,364	9,161	750	750
Prepaid for car park service	65,936	70,332	-	-
Others	710	725	691	725
Total	578,543	539,332	5,386	5,191

19 Interest-bearing liabilities

	Interest rate Note (% per annum)	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
			(in thousand Baht)		
Current					
Bank overdrafts					
Secured	-	-	986	-	-
Unsecured	6.9 - 7.4	4,120	12,019	-	6,343
		4,120	13,005	-	6,343
Short-term loans from financial institutions					
Secured	3.1 - 4.3	147,064	706,983	-	-
Total bank overdrafts and short-term loans from financial institutions		151,184	719,988	-	6,343
Current portion of long-term loans from financial institutions					
Secured	3.1 - 4.2	235,302	127,199	-	-
Current portion of debentures					
Unsecured	2.1 - 3.4	700,000	1,000,000	700,000	1,000,000
Short-term loans from related parties					
Unsecured	4 2.0 - 3.0	-	-	1,272,900	424,300
Total current interest-bearing liabilities		1,086,486	1,847,187	1,972,900	1,430,643

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	Interest rate <i>Note</i>	Consolidated financial statements		Separate financial statements	
	2017 <i>(% per annum)</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Non-current					
Long-term loans from financial institutions					
Secured	3.1 - 4.2	1,043,108	874,269	-	-
Unsecured	2.4 - 3.7	494,617	-	494,617	-
		<u>1,537,725</u>	<u>874,269</u>	<u>494,617</u>	<u>-</u>
Debentures					
Unsecured	2.1 - 3.4	4,280,000	4,979,716	4,280,000	4,979,716
Long-term loans from related parties					
Unsecured	4 3.0	<u>60,989</u>	<u>66,382</u>	<u>-</u>	<u>-</u>
Total long-term loans		<u>5,878,714</u>	<u>5,920,367</u>	<u>4,774,617</u>	<u>4,979,716</u>
Total non-current interest-bearing liabilities		<u>5,878,714</u>	<u>5,920,367</u>	<u>4,774,617</u>	<u>4,979,716</u>

The borrowings include secured liabilities in the total amount of Baht 1,425 million (2016: Baht 1,709 million) in the consolidated financial statements. Loans from financial institutions are guaranteed by the Company and a director of the Company.

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Within one year	1,086,486	1,847,187	1,972,900	1,430,643
After one year but within five years	4,362,214	3,420,651	3,274,617	2,480,000
After five years	1,516,500	2,499,716	1,500,000	2,499,716
Total	<u>6,965,200</u>	<u>7,767,554</u>	<u>6,747,517</u>	<u>6,410,359</u>

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

As at 31 December 2017, the Group and the Company had unutilised credit facilities totalling Baht 3,140 million and Baht 2,173 million, respectively (2016: Baht 974 million and Baht 170 million, respectively).

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For the year ended 31 December 2017

Long-term loans agreements during the year 2017

A subsidiary entered into a loan agreement with a foreign financial institution. The loan was withdrawn in March 2017 totalling USD 20.4 million. The loan has interest at the specified rate in the agreement with quarterly installments payable until 2022. The stated loan was guaranteed by a director and the parent company. As at 31 December 2017, the outstanding balance of the aforesaid loan is USD 13.8 million.

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 relevant to the project, with a loan credit line of USD 64 million. The stated loan was withdrawn partially during 2017 in the amount of Baht 94.6 million with a quarterly installment payable term starting from the 39th month from signing date in the agreement and has a three-month payment term for interest. Such loan has an interest at the specified rate in the agreement and conditions that must comply as stated in the agreement such as no declaration of dividend payment, in the event that the Company could not repay principal, interest and/or breach conditions with the bank, unless permitted from the bank, no transaction related to the decrease of paid-up share capital and others, including condition of maintaining financial ratios.

In June 2017, the Company entered into a loan agreement with a local financial institution. The loan is in the amount of Baht 400 million with repayable term 3 years from the drawdown date and bears interest at the specified rate in the agreement with 6 months payable. This loan has no collateral.

A subsidiary entered into a loan agreement with a local financial institution, loan credit line obtained by the subsidiary is in the amount of Baht 177 million. The loan was withdrawn in July 2017 in the amount of Baht 30 million with quarterly installments payable term within 10 years from the first drawdown date. The stated loan has interest at the specified rate in the agreement with 3 months payable and was guaranteed by a parent company, including condition of maintaining financial ratios that a parent company must comply.

Debentures

	Interest rate	Maturity date	Consolidated / separate financial statements	
			2017	2016
	(%)		(in thousand Baht)	
No. 2/2010	3.85	23 June 2017	-	500,000
No. 3/2010	3.85	29 June 2017	-	500,000
No. 1/2015	2.41	19 November 2018	700,000	700,000
No. 1/2016	2.09	30 March 2020	800,000	800,000
No. 2/2016	2.45	11 August 2021	980,000	980,000
No. 3/2016	2.78	29 September 2022	1,000,000	1,000,000
No. 3/2016	2.97	29 September 2023	1,000,000	1,000,000
No. 3/2016	3.39	29 September 2026	500,000	500,000
			<u>4,980,000</u>	<u>5,980,000</u>
Deferred expense in issuing debentures			-	(284)
Net			<u>4,980,000</u>	<u>5,979,716</u>
Debentures due within one year			(700,000)	(1,000,000)
Debentures due after one year			<u>4,280,000</u>	<u>4,979,716</u>

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

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

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On 30 March 2016, the Company issued the debentures in the name of specific holders, unsubordinated and unsecured of Baht 800 million, which the shareholders of the Company approved the credit limit for issuance and offer for sale of the debentures at the shareholders' meeting on 25 March 2009.

On 11 August 2016, the Company issued the debentures in the name of specific holders, unsubordinated and unsecured of Baht 980 million, which the shareholders of the Company approved the credit limit for issuance and offer for sale of the debentures at the shareholders' meeting on 28 April 2016.

On 29 September 2016, the Company issued the debentures in the name of specific holders, unsubordinated and unsecured of Baht 2,500 million, which the shareholders of the Company approved the credit limit for issuance and offer for sale of the debentures at the shareholders' meeting on 28 April 2016.

Interest rate swap contracts

As at 31 December 2016, the Company had interest rate swap contracts for debentures of Baht 1,000 million with a bank to hedge anticipated future interest rate of debentures by exchange from fixed interest rate of 3.85% p.a., quarterly payable to 6 month-fixed deposit interest rate plus 1.90% p.a., semi annually payable. The above contracts were matured in June 2017.

20 Trade and other current payables

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Trade payables - other parties		891,197	817,089	59,920	51,535
Amounts due to related parties	4	27,705	21,219	22,002	19,231
Other payables		93,902	88,752	32,399	37,383
Payables for purchase of buildings and equipment		108,514	46,949	3,423	6,216
Guest deposits		531,177	423,983	126,384	115,280
Accrued expenses		1,067,186	834,790	106,850	108,272
Total		2,719,681	2,232,782	350,978	337,917

21 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Deposits	1,995	11,370	-	77
Retentions	37,657	34,601	7,382	6,503
Withholding tax and value added tax payables	209,021	181,449	63,319	33,076
Others	4,296	9,205	-	-
Total	252,969	236,625	70,701	39,656

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For the year ended 31 December 2017

22 Non-current provisions for employee benefit

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

Movement in the present value of the defined benefit obligations.

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	218,557	199,539	67,079	63,896
Included in profit or loss :				
Current service cost	21,690	20,561	6,726	5,932
Interest on obligation	5,093	5,188	1,348	1,640
	<u>26,783</u>	<u>25,749</u>	<u>8,074</u>	<u>7,572</u>
Others				
Benefit paid	(15,699)	(6,731)	(8,081)	(4,389)
	<u>(15,699)</u>	<u>(6,731)</u>	<u>(8,081)</u>	<u>(4,389)</u>
At 31 December	<u>229,641</u>	<u>218,557</u>	<u>67,072</u>	<u>67,079</u>

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(%)</i>			
Discount rate	2.60	2.60	2.60	2.60
Inflation rate	3.00	3.00	3.00	3.00
Future salary growth	6.00 - 7.00	6.00 - 7.00	6.00 - 7.00	6.00 - 7.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2017, the weighted-average duration of the defined benefit obligation was 11 years (2016: 11 years).

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in million Baht)</i>			
At 31 December 2017				
Discount rate (1% movement)	(15)	16	(3)	2
Future salary growth (1% movement)	15	(14)	2	(3)
At 31 December 2016				
Discount rate (1% movement)	(14)	15	(3)	2
Future salary growth (1% movement)	14	(13)	2	(3)

23 Provision for decommissioning

	Consolidated financial statements <i>(in thousand Baht)</i>
At 1 January 2016	91,354
Provision made	10,801
Provision used	(4,684)
At 31 December 2016 and 1 January 2017	97,471
Provision made	15,910
Provision used	(5,527)
At 31 December 2017	107,854

24 Share capital

	Par value per share <i>(in Baht)</i>	2017		2016	
		Number	Amount	Number	Amount
		<i>(thousand shares / in thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	1,350,000	1,350,000	1,350,000	1,350,000
At 31 December					
- ordinary shares	1	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>
Issued and paid-up					
At 1 January					
- ordinary shares	1	1,350,000	1,350,000	1,350,000	1,350,000
At 31 December					
- ordinary shares	1	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>

Share premium

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

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25 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

26 Segment information

The Group has two reportable segments, as described below, which are the Group's 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's 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's 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.

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Information about reportable segments

	Hotel and related services operation		Food and ice-cream operation		Total reportable segments		Eliminations		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	9,208	9,232	10,996	10,630	20,204	19,862	(275)	(300)	19,929	19,562
Interest income	218	235	20	16	238	251	(198)	(232)	40	19
Other income	1,323	1,083	105	84	1,428	1,167	(1,052)	(842)	376	325
Total revenues	10,749	10,550	11,121	10,730	21,870	21,280	(1,525)	(1,374)	20,345	19,906
Cost of sales	5,657	5,737	5,944	5,785	11,601	11,522	(69)	(66)	11,532	11,456
Distribution costs	462	414	461	458	923	872	(157)	(137)	766	735
Administrative expenses	2,294	2,133	3,896	3,738	6,190	5,871	(900)	(790)	5,290	5,081
Finance costs	421	530	-	-	421	530	(197)	(232)	224	298
Total expenses	8,834	8,814	10,301	9,981	19,135	18,795	(1,323)	(1,225)	17,812	17,570
Share of profit (loss) of investment in an associate	(34)	34	-	-	(34)	34	-	-	(34)	34
Profit before tax expense	1,881	1,770	820	749	2,701	2,519	(202)	(149)	2,499	2,370
Tax expense	(317)	(301)	(91)	(113)	(408)	(414)	-	-	(408)	(414)
Profit for the year	1,564	1,469	729	636	2,293	2,105	(202)	(149)	2,091	1,956

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Geographical segments

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

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.

Republic of Maldives - The main activities are hotel and related services operation.

Geographical information

	Revenues		Segment results		Total assets	
	2017	2016	2017	2016	2017	2016
			<i>(in million Baht)</i>			
Thailand	20,177	19,448	2,083	1,873	45,075	40,950
Republic of Maldives	1,693	1,832	210	232	3,036	3,545
Eliminations	(1,525)	(1,374)	(202)	(149)	(23,074)	(20,098)
Total	20,345	19,906	2,091	1,956	25,037	24,397

27 Other income

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
			<i>(in thousand Baht)</i>	
Interest income	40,368	18,565	107,602	125,039
Management fee income	227,962	216,325	66,100	156,621
Service income	-	-	172,819	151,650
Income from loan guarantee of subsidiaries	-	-	12,811	20,436
Rental and other services income	2,367	1,934	10,118	6,952
Subsidy	12,541	395	-	-
Insurance claim and other compensations	44,790	6,000	-	-
Sale of used oil	14,959	14,982	-	-
Others	73,308	85,247	12,780	25,964
Total	416,295	343,448	382,230	486,662

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28 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Wages and salaries		2,895,998	2,788,852	516,952	552,021
Defined benefit plans	22	26,783	25,749	8,074	7,572
Defined contribution plans		46,987	42,818	22,155	22,106
Others		1,520,792	1,556,810	331,127	328,529
Total		4,490,560	4,414,229	878,308	910,228

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 10% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

29 Expenses by nature

The financial statements include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Cost of food and beverage used		4,705,031	4,447,711	302,777	290,883
Employee benefit expenses	28	4,490,560	4,414,229	878,308	910,228
Royalty fee		502,041	485,759	-	-
Management fee		31,725	30,699	157,308	79,796
Land and buildings rental		1,766,273	1,562,159	9,357	10,048
Depreciation and amortisation		1,913,964	2,081,572	349,032	346,832

30 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Interest expense:					
Subsidiaries	4	-	-	11,394	13,052
Bank overdrafts, loans and debentures		223,878	298,537	154,724	176,164
Total interest expense		223,878	298,537	166,118	189,216

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31 Income tax expense
Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		377,092	345,324	12,631	28,773
Over provided in prior years		(24,096)	(12,585)	(878)	-
		352,996	332,739	11,753	28,773
Deferred tax expense	17				
Movements in temporary differences		54,561	81,771	27,132	26,740
		54,561	81,771	27,132	26,740
Total income tax expense		407,557	414,510	38,885	55,513

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before tax	2017 Tax (expense) benefit	Net of tax	Before tax	2016 Tax (expense) benefit	Net of tax
			<i>(in thousand Baht)</i>			
Foreign currency translation differences for foreign operations	(150,283)	-	(150,283)	7,012	-	7,012
Available-for-sale investments	181	(36)	145	(35)	7	(28)
Total	(150,102)	(36)	(150,138)	6,977	7	6,949

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Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate (%)	2017 (in thousand Baht)	Rate (%)	2016 (in thousand Baht)
Profit before income tax expense		2,498,957		2,370,632
Income tax using the Thai corporation tax rate	20	499,791	20	474,126
Effect of different tax rates in foreign jurisdictions		(12,389)		(14,578)
Effect of different effective tax rate in share of (profit) loss of investment in associates		6,907		(6,806)
Income not subject to tax		(2)		(15)
Profits subject to promotional privileges		(27,480)		(14,475)
Expenses not deductible for tax purposes		24,915		11,466
Expenses deducted at greater amount		(80,292)		(58,096)
Recognition of previously unrecognised tax losses		(266)		(951)
Current year losses for which no deferred tax asset was recognised		12,019		8,103
Unrealised losses resulting from intergroup transactions		9,908		9,908
Over provided in prior years		(24,096)		(12,585)
Others		(1,458)		18,413
Total	16.31	407,557	17.49	414,510

	Separate financial statements			
	Rate (%)	2017 (in thousand Baht)	Rate (%)	2016 (in thousand Baht)
Profit before income tax expense		985,389		1,018,439
Income tax using the Thai corporation tax rate	20	197,078	20	203,688
Income not subject to tax		(173,424)		(148,694)
Expenses not deductible for tax purposes		19,457		6,222
Expenses deducted at greater amount		(8,712)		(9,416)
Others		4,486		3,713
Total	3.95	38,885	5.45	55,513

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

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32 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2017 and 2016 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in million Baht / million shares)</i>				
Profit attributable to ordinary shareholders of the Company (basic)	1,991	1,850	947	963
Number of ordinary shares outstanding	1,350	1,350	1,350	1,350
Basic earnings per share (in Baht)	1.48	1.37	0.70	0.71

33 Dividends

At the annual general meeting of the shareholders of the Company held on 28 April 2017, the shareholders approved the appropriation of dividend of Baht 0.55 per share, totaling Baht 742 million. The dividend was paid to shareholders during 2017.

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

34 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders. In addition, the Group has to maintain financial ratio under conditions of loan agreements and debentures.

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Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Revenue and cash flows of the Group's operation are substantially independent of changes in market interest rates. The Group's operation has no significant interest-bearing assets. The Group's policy is enter into interest rate swap for debentures. Under the interest rate swaps, the Group agreed with counterparties to exchange the difference between fixed contract rates and floating interest rates at specified interval.

Foreign currency risk

As at 31 December 2017 and 2016, the Group were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
United States Dollars				
Cash and cash equivalents	152	143	-	-
Current investments	98	54	-	-
Trade and other current receivables	69	148	-	-
Interest-bearing liabilities	(1,398)	(1,711)	(95)	-
Trade and other current payables	(234)	(228)	-	-
Other current liabilities	(41)	(37)	-	-
Gross balance sheet exposure	(1,354)	(1,631)	(95)	-
United Arab Emirates Dirham				
Long-term loans to related parties	95	-	-	-
Gross balance sheet exposure	95	-	-	-
Chinese Yuan				
Cash and cash equivalents	5	5	-	-
Trade and other current payables	(2)	(3)	-	-
Gross balance sheet exposure	3	2	-	-
Hong Kong Dollars				
Cash and cash equivalents	5	1	-	-
Trade and other current receivables	1	-	-	-
Gross balance sheet exposure	6	1	-	-

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

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For the year ended 31 December 2017

Liquidity risk

The Group monitors its liquidity risk by maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements		Separate financial statements	
	Fair value	Carrying amount	Fair value	Carrying amount
	(in million Baht)			
31 December 2017				
Financial asset measured at fair value				
Available-for-sale investments (level 2)	1	1	-	-
Financial liabilities not measured at fair value				
Long-term loans from financial institutions	(1,834)	(1,773)	(502)	(495)
Debentures	(4,992)	(4,980)	(4,992)	(4,980)
Long-term loans from related parties	(62)	(61)	-	-
31 December 2016				
Financial asset measured at fair value				
Available-for-sale investments (level 2)	1	1	-	-
Financial liabilities not measured at fair value				
Long-term loans from financial institutions	(1,007)	(1,001)	-	-
Debentures	(5,829)	(5,980)	(5,829)	(5,980)
Long-term loans from related parties	(61)	(66)	-	-
Interest rate swap				
(Notional amount of Baht 1,000 million (Note 19))	1	-	1	-

Fair values of available-for-sale investments are calculated from the net asset value as of the reporting date.

Fair values of loans and debentures are computed from the present value of discounted future cash flows of principal and interests. The interest rate used is the rate which management expects the Group to pay at the reporting date.

Fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

Central Plaza Hotel Public Company Limited and its Subsidiaries

Notes to the financial statements
For the year ended 31 December 2017

35 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Capital commitments				
Contracted but not provided for				
hotel construction	326,515	227,435	1,908	374
machinery and equipment	14,038	20,826	-	-
leasehold improvements	24,822	3,952	-	-
Total	365,375	252,213	1,908	374

The Group entered into long-term land, space lease and service agreements with non-related parties for periods of 1 - 35 years up to 2045. The Group are committed to pay for rental and service charges in respect of aforesaid agreements as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Future minimum lease payments under non-cancellable operating leases				
Within one year	576,986	586,463	-	-
After one year but within five years	875,046	873,192	-	-
After five years	770,692	785,366	-	-
Total	2,222,724	2,245,021	-	-
Other commitment				
Bank guarantees	147,644	52,320	97,565	9,880

36 Contingent liability

On 12 July 2017, a subsidiary filed the claim against a receivable (the objector) totaling Baht 209.8 million plus interest for the unpaid management fees of Baht 51.2 million and claimed for other damages on the ground of breach of hotel management contract. On 27 December 2017, the objector filed objection denied the claims and claimed for the damages from the defraud and misconduct of the subsidiary during the management of the objector's hotel in the amount of Baht 918.4 million plus interest. This case is now during the period of filing the objection of the subsidiary against the counter claim of the objector.

Based on legal advice, the management believes that the subsidiary has a good chance to win the claim against the objector for the unpaid management fee of Baht 51.2 million. For the objector's alleged counter claim against the subsidiary, management believes it is excessive and without justified ground for the alleged counter claim. The subsidiary has good grounds to defend it and should not be liable to such alleged claim. Consequently, as at 31 December 2017, no provision for doubtful account and no provision for any liability have been made in these financial statements. The claim and counter claim are being considered under a legal arbitration process.

Central Plaza Hotel Public Company Limited and its Subsidiaries

Notes to the financial statements
For the year ended 31 December 2017

37 Event after the reporting period

At the Board of Directors' meeting held on 22 February 2018, the Board passed a resolution for the approval of the annual dividend payment for the year 2017 at Baht 0.60 per share. The final results are dependent on the approval by the shareholders of the Company at the annual general meeting to be held on 30 April 2018.

38 Reclassification of accounts

Certain accounts in the 2016 financial statements have been reclassified to conform to the presentation in the 2017 financial statements as follows:

	2016					
	Consolidated financial statements			Separate financial statements		
	Before reclassifi- cation	Reclassi- fication	After reclassifi- cation	Before reclassifi- cation	reclassifi- cation	After reclassifi- cation
	<i>(in million Baht)</i>					
Statement of financial position						
Cash and cash equivalents	1,089	(100)	989	33	-	33
Current investments	53	100	153	-	-	-
Short-term loans from related parties	(66)	66	-	(424)	-	(424)
Long-term loans from related parties	-	(66)	(66)	-	-	-
		<u>-</u>			<u>-</u>	
Statement of comprehensive income						
Distribution costs	823	(88)	735	243	(6)	237
Administrative expenses	4,993	88	5,081	563	6	569
		<u>-</u>			<u>-</u>	

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

ANALYSIS AND EXPLANATION OF FINANCIAL STATUS AND OPERATING RESULTS

For the year ended **31 DECEMBER 2017**

Central Plaza Hotel Pcl. (“Company”) wishes to inform and clarify to the SET regarding the analysis of CENTEL's operating performance results for Q4/2017 and Full Year (“FY”) 2017 ended December 31, 2017 according to the following details.

1. Overview of the tourism industry sector
2. Analysis of the Company's operating performance results
3. Financial Status of the Company
4. Factors that may influence the ongoing business operations and Trends for 2018

1. Overview of the tourism industry sector

1.1 Thailand Tourism industry

The number of tourist arrivals for Q4/2017 totaled 9.3 million, an increase of 19.5% compared to the same period last year. This resulted from the recovery in the number of the Chinese tourist arrivals from the crack down on the zero dollars tours in Q4/2016, with the total number of Chinese tourists increasing by 67.2% year-on-year (YOY). At the same time, the total number of Russian tourist arrivals also continued to increase by 21.0% YoY; and, additionally, the number of tourist arrivals from India also increased by 23.6% YoY.

As a result of these increases in the total number of tourist arrivals during Q4/2017, the total number of tourist arrivals to Thailand for full year 2017 was 35.4 million, or an increase of 8.5% YoY; with the Chinese tourists accounting for 27.7% of the total arrivals.

1.2 Maldives Tourism industry

The total number of tourist arrivals to the Maldives in Q4/217 was 391,533, a YOY increase of 14.6%; and resulting in a full year 2017 total of 1.4 million tourist arrivals, a YoY increase of 8.0%. Despite the total number of Chinese tourist arrivals in 2017 decreasing by 5.5% when compared to the previous year, they still accounted for 22.1% of the total tourist arrivals. At the same time, total tourist arrivals from Germany ranked second, accounting for 8.1% of the total arrivals for the year and increasing by 5.4% YoY. With regards to the supply of hotel rooms at the end of 2017, this totaled 40,572 rooms, an increase of 10.8% YoY. As such, this YoY increase in the supply of hotel rooms is higher than the increase in the total number of tourist arrivals to the Maldives during 2017.

2. Analysis of the Company's operating performance results

2.1 Analysis of the consolidated operating performance results

Q4/2017 and Q4/2016

(Amount - in Baht Million)	Q4/2017		Q4/2016		Changes YoY (Increase+ / Decrease-)	
	Amount	%	Amount	%	Amount	%
Hotel Business Revenues ⁽¹⁾	2,453.3	46.1%	2,349.3	47.3%	104.0	4.4%
Food Business Revenues	2,867.1	53.9%	2,614.7	52.7%	252.4	9.7%
Total Revenues	5,320.4	100.0%	4,964.0	100.0%	356.4	7.2%
Cost of Sale – Hotel Business	883.9	16.6%	851.5	17.2%	32.4	3.8%
Cost of Sale – Food Business ⁽²⁾	1,349.6	25.4%	1,253.4	25.2%	96.2	7.7%
Total Cost of Sales⁽²⁾	2,233.5	42.0%	2,104.9	42.4%	128.6	6.1%
Less: Selling and General Administrative Expenses	1,951.6	36.7%	1,781.0	35.9%	170.6	9.6%
Add: Share of Profit (Loss) from Investment (By Equity Method)	0.5	0.0%	3.9	0.1%	(3.4)	-87.2%
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	1,135.8	21.3%	1,082.0	21.8%	53.8	5.0%
Less Depreciation and Amortization	(431.4)	-8.1%	(467.4)	-9.4%	(36.0)	-7.7%
Earning before Interest and Tax (EBIT)	704.4	13.2%	614.6	12.4%	89.8	14.6%
Less: Finance Cost	(54.6)	-1.0%	(66.1)	-1.3%	(11.5)	-17.4%
Less: Corporate Income Tax	(107.5)	-2.0%	(65.0)	-1.3%	42.5	65.4%
Less: (Profit)/ Loss (Net) from Non-Controlling Interests	(35.8)	-0.7%	(34.2)	-0.7%	1.6	4.7%
Core Operating Profit	506.5	9.5%	449.3	9.1%	57.2	12.7%
Extraordinary Items						
Extra Sharing Profit and Loss from Investment by Equity Method						
- Loss from Asset Appraisal	(64.9)	-1.2%	(33.4)	-0.7%	31.5	94.3%
Net Profit	441.6	8.3%	415.9	8.4%	25.7	6.2%

(1) Includes revenues from amortization of deferred rental income of the Centara Grand Beach Resort Samui of Baht 25.2 million/Quarter

(2) Cost of Sales EXCLUDES depreciation and amortization allocated as Cost of Sales

ANALYSIS AND EXPLANATION OF FINANCIAL STATUS AND OPERATING RESULTS (continued)

FY/2017 AND FY/2016

(Amount - in Baht million)	FY/2017		FY/2016		Changes (Increase+/-Decrease-)	
	Amount	%	Amount	%	Amount	%
Hotel Business Revenues ⁽¹⁾⁽²⁾	9,357.9	46.0%	9,309.0	46.8%	48.9	0.5%
Food Business Revenues	10,987.6	54.0%	10,597.2	53.2%	390.4	3.7%
Total Revenues	20,345.5	100.0%	19,906.2	100.0%	439.3	2.2%
Cost of Sale – Hotel Business	3,329.2	16.4%	3,389.8	17.0%	(60.6)	-1.8%
Cost of Sale – Food Business ⁽³⁾	5,174.2	25.4%	5,009.2	25.2%	165.0	3.3%
Total Cost of Sales ⁽³⁾	8,503.4	41.8%	8,399.0	42.2%	104.4	1.2%
Less: Selling and General Administrative Expenses	7,418.9	36.5%	7,187.5	36.1%	231.4	3.2%
Add: Share of Profit (Loss) from Investment (By Equity Method)	30.3	0.1%	35.9	0.2%	(5.6)	-15.6%
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	4,453.5	21.9%	4,355.6	21.9%	97.9	2.2%
Less Depreciation and Amortization	(1,665.7)	-8.2%	(1,684.6)	-8.5%	(18.9)	-1.1%
Earning before Interest and Tax (EBIT)	2,787.8	13.7%	2,671.0	13.4%	116.8	4.4%
Less: Finance Cost	(223.9)	-1.1%	(298.5)	-1.5%	(74.6)	-25.0%
Less: Corporate Income Tax	(407.6)	-2.0%	(414.5)	-2.1%	(6.9)	-1.7%
Less: (Profit)/ Loss (Net) from Non-Controlling Interests	(100.0)	-0.5%	(106.6)	-0.5%	(6.6)	-6.2%
Core Operating Profit	2,056.3	10.1%	1,851.4	9.3%	204.9	11.1%
Extraordinary Items						
Extra Sharing Profit and Loss from Investment by Equity Method						
- Loss from Asset Appraisal	(64.9)	-0.3%	(33.4)	-0.2%	31.5	94.3%
- Special Income Contribution from Rental Adjustment	0.0	0.0%	31.6	0.2%	(31.6)	-100.0%
Net Profit	1,991.4	9.8%	1,849.6	9.3%	141.8	7.7%

(1) In 2017: INCLUDES income from insurance claim for flood damages to the Centara Grand Phuket of Baht 35.9 million that was received in Q1/2017

(2) Includes revenues from amortization of deferred rental income of the Centara Grand Beach Resort Samui of Baht 100.3 million/Year

(3) Cost of Sales EXCLUDES depreciation and amortization allocated as Cost of Sales

Q4/2017: The Company had Total Revenues of Baht 5,320.4 million (Q4/2016: Baht 4,964.0 million), an increase of Baht 356.4 million, or 7.2%, YoY. This resulted from the increase in total revenues for both the Hotel Business and the Food Business; with the total revenues mix for the Hotels Business and the Food Business of 46%: 54% respectively; while Gross Profit totaled Baht 2,928.8 million, an increase of 6.9% YoY. The Company achieved total EBITDA of Baht 1,135.8 million (Q4/2016: Baht 1,082.0 million), an increase of Baht 53.8 million, or 5.0%, YoY; with an achieved EBITDA margin of 21.3% that decreased very marginally YoY (Q4/2016: 21.8%) due to the opening of 43 (net) new QSR outlets towards the end of the Q4 period. This resulted in incurring additional associated selling and general administrative expenses for the Quarter, while revenues only started to be booked on a gradual basis. Despite the Company's share of losses by equity method from investment in the CTARAF Property Fund in Q4/2017, resulting from the lower appraised value of the fund's assets, the Company still achieved a total Net Profit of Baht 441.6 million (Q4/2016 : Baht 415.9 million). This is an increase of Baht 25.7 million, or 6.2%, YoY, resulting from the decrease in the total depreciation charge especially relating to the closure of QSR outlets, whereby those outlets operating losses, fully depreciated and amortized operating assets, and more efficiency in overall finance cost management.

FY/2017: The Company achieved total Revenues of Baht 20,345.5 million (FY/2016: Baht 19,906.2 million), an increase of Baht 439.3 million, or 2.2%, that was primarily derived from the increased Food Business revenues; with the total revenues mix for the Hotels Business and the Food Business of 46%: 54% respectively. Total Gross Profit was Baht 11,311.0 million, (FY/2016: Baht 11,049.2 million), an increase of Baht 261.8 million, or 2.4%, YoY; while the Company achieved a total EBITDA of Baht 4,453.5 million (FY/2016: Baht 4,355.6 million), an increase of Baht 97.9 million, or 2.2%, YoY, and with an EBITDA margin of 21.9%, the same as for FY/2016. The Company achieved a total Net Profit of Baht 1,991.4 million (FY/2016: Baht 1,849.6 million), an increase of Baht 141.8 million, or 7.7%, YoY, resulting from more efficiency in overall finance cost management.

2.2 Analysis of the consolidated operating performance results of the respective Business groups

2.2.1 Hotel Business

As at December 31, 2017 the Company had a total of 54 hotel properties in its portfolio (with a total of 11,111 rooms); whereby 38 hotels (7,231 rooms) are already in operation and 16 hotels (3,880 rooms) are under the development. Of the 38 hotels in operations, 17 hotels (4,167 rooms) are owned by the Company and the remaining 21 hotels (3,064 rooms) are operated by the Company under the Hotels Management Agreements.

Operating performance of hotels owned by the Company *

Occupancy (OCC)	Q4/2017	Q4/2016	Changes YoY	FY/2017	FY/2016	Changes YoY
Bangkok	83.5%	76.6%	6.9%	81.4%	81.2%	0.2%
Upcountry	83.3%	79.4%	3.9%	83.1%	81.8%	1.3%
Maldives	90.5%	88.0%	2.5%	84.4%	86.7%	(2.3%)
Average Thailand	83.3%	78.6%	4.7%	82.6%	81.6%	1.0%
Average Total	83.8%	79.2%	4.6%	82.7%	81.9%	0.8%

Average Room Rate (ARR)	Q4/2017	Q4/2016	Changes YoY	FY/2017	FY/2016	Changes YoY
Bangkok	3,587	3,568	0.5%	3,450	3,394	1.7%
Upcountry	4,174	4,039	3.3%	4,128	3,928	5.1%
Maldives	18,016	19,218	(6.3%)	18,312	19,261	(4.9%)
Average Thailand	3,996	3,901	2.4%	3,926	3,768	4.2%
Average Total	4,997	5,025	(0.6%)	4,897	4,851	1.0%

Revenue per Available Room (RevPAR - Baht)	Q4/2017	Q4/2016	Changes YoY	FY/2017	FY/2016	Changes YoY
Bangkok	2,995	2,735	9.5%	2,810	2,755	2.0%
Upcountry	3,475	3,209	8.3%	3,428	3,213	6.7%
Maldives	16,310	16,903	2.4%	3,926	3,768	4.2%
Average Thailand	3,330	3,066	8.6%	3,241	3,075	5.4%
Average Total	4,188	3,980	5.2%	4,049	3,975	1.9%

* **Remarks:** Excludes the Centra by Centara Government Complex Hotel and Convention Center Chaeng Watthana Hotel, since the Company records the operating performance results of this hotel as other income since November 26, 2017; also excludes the new COSI Samui Chawaeng Beach Hotel that opened on December 1, 2017.

ANALYSIS AND EXPLANATION OF FINANCIAL STATUS AND OPERATING RESULTS (continued)

Operating performance results of the Hotel Business

Hotel Business (in Baht million)	Q4/2017	Q4/2016	Changes YoY	FY/2017	FY/2016	Changes YoY
Revenue from Operations	2,337.6	2,249.0	3.9%	8,921.8	8,919.1	0.0%
Total Revenues	2,453.3	2,349.3	4.4%	9,357.9	9,309.0	0.5%
Gross Profit	1,453.7	1,397.5	4.0%	5,592.6	5,529.3	1.1%
% Gross Profit Margin	62.2%	62.1%	0.1%	62.7%	62.0%	0.7%
EBITDA	785.8	724.0	8.5%	3,027.3	2,974.4	1.8%
% EBITDA	32.0%	30.8%	1.2%	32.3%	32.0%	0.3%
Core Operating Profit	332.9	292.5	13.8%	1,351.0	1,238.5	9.1%
Net Profit	268.0	259.1	3.4%	1,286.1	1,236.7	4.0%
% Net Profit Margin	10.9%	11.0%	(0.1%)	13.7%	13.3%	0.4%

(1) For FY/2017, total revenues include the insurance claim compensation for flood damages at the Centara Grand Phuket totaling Baht 35.9 million that was received in Q1/2017.

(2) Total FY/2017 revenues include the amortization of deferred rental income of Centara Grand Beach Resort Samui of Baht 100.3 million/Year

Q4/2017:

o The Hotel Business achieved Total Revenues of Baht 2,453.3 million, an increase of Baht 104 million, or 4.4%, YoY, which increase was mainly due to the growth of the occupancy rate (OCC) that increased by 4.6% YoY and resulted in the increase of the RevPAR by 5.2% YoY.

- Bangkok: RevPAR increased by 9.5% YoY. This was due to the increase in the OCC of 6.9% to be at 83.5%, while the achieved average room rates (ARR) remained at Baht 3,587, a marginal increase of 0.5% YoY. This increase was partly due to the recovery of the MICE segment compared to last year - especially for the Centara Grand At Central Plaza Ladprao Hotel.
- Upcountry: RevPAR increased by 8.3% YoY, resulting from the increase of the OCC by 3.9% to be 83.3% together with the ARR that increased YoY by 3.3% to be Baht 4,174 per night. This growth was partly due to the low base of Q4/2016 business of the Centara Grand Beach Resort Phuket that closed for 3 weeks during November 2016 due to damages from the floods at that time.
- Maldives: RevPAR in Thai Baht terms decreased by 3.5%, despite the OCC increasing by 2.5% to be 90.5% and although the ARR decreased by 6.3% to be Baht 18,016 due to the appreciation of the Baht compared to the US dollar. As such, the RevPAR in US dollar terms increased by 3.8% and the ARR increased by 0.8%

o For Q4/2017, the Company achieved a Gross Profit of Baht 1,453.7 million (Q4/2016: Baht: 1,397.5 million), which is equal to a Gross Margin of 62.2% that is close to the same period last year (Q4/2016: 62.1%). While the EBITDA margin was 32.0%, an increase of 1.2% YoY that was partly due to the Centara Grand Beach Resort Phuket being closed for 3 weeks in November during Q4/2016 and resulting in a loss of revenues but still incurring expenses relating to staff costs and thus the profit margin decreased during the previous year. As such, the core operating profit for the Hotel Business, before extraordinary items, totaled Baht 332.9 million, an increase of 13.8% YoY, which is the result of a decrease in the total depreciation and amortization costs together with lower interest expenses. After taking into account the share of the loss by equity method, resulting from the latest assets valuation of the CTARAF property fund, of Baht 64.9 million that is a non-cash item, then the Net Profit for the Hotel Business, after extraordinary items, totaled Baht 268.0 million, an increase of 3.4% YoY.

Full Year 2017:

o Total Hotel Business Revenues was Baht 9,357.9 million, an increase of Baht 48.9 million, or 0.5%, compared to FY/2016, which increase resulted from the increased OCC by 0.8% together with the increased ARR by 0.9% that then resulted in the overall RevPar to increase by 1.9%

- Thailand: RevPAR increased by 5.4% YoY, resulting primarily from the increased ARR by 4.2%, with the OCC increasing from 81.6% to be 82.6%.
- Maldives: Average RevPAR decreased by 7.4% YoY with the OCC decreasing from 86.7% to be 84.4%, together with the ARR decreasing by 4.9% to be Baht 18,312 due to the appreciation of the Baht compared to the US Dollar. As such, the RevPAR in US dollar terms decreased only by 3.5% with the ARR decreasing by only 1.1%.

o For the Hotel Business, in 2017 the Company achieved a Gross Profit of Baht 5,592.6 million (FY/2016: Baht 5,529.3 million), a YoY increase of 1.1% due to the improvement in cost management. This is equal to a Gross Margin of 62.7% - close to the previous year (FY/2016: 62.0%); while the EBITDA margin was 32.3% (FY/2016: 32.0%). The total core operating profit before extraordinary items, for the Hotel Business was Baht 1,351.0 million, an increase of 9.1% YoY, resulting from the decrease in total interest expenses. After taking into account the share of the loss by equity method, resulting from the latest assets valuation, of the CTARAF property fund, of Baht 64.9 million that is a non-cash item, then the total Net Profit for the Hotel Business, after extraordinary items, was Baht 1,286.1 million, an increase of 4.0% YoY.

2.2.2 Food Business

Operating Performance

% Same Store Sale Growth (SSS)	Q4/2017	Q4/2016	FY/2017	FY/2016
Top 4 brands	2.9%	(5.3%)	(1.0%)	(0.5%)
7 brands	2.1%	0.3%	0.8%	3.7%
Average	2.9%	(4.8%)	(0.9%)	(0.1%)

% Total System Sale Growth (TSS)	Q4/2017	Q4/2016	FY/2017	FY/2016
Top 4 brands	8.5%	(2.2%)	2.9%	2.3%
7 brands	12.1%	16.6%	6.6%	20.5%
Average	8.9%	(0.1%)	3.4%	4.3%

Operating Performance Results of the Food Business

Food Business (in Baht million)	Q4/2017	Q4/2016	Changes YoY	FY/2017	FY/2016	Changes YoY
Revenue from Operations	2,824.7	2,595.0	8.9%	10,892.6	10,529.1	3.5%
Total Revenue	2,867.1	2,614.7	9.7%	10,987.6	10,597.2	3.7%
Gross Profit	1,475.1	1,341.6	9.9%	5,718.4	5,519.9	3.6%
% Gross Profit Margin	52.2%	51.7%	0.5%	52.5%	52.1%	0.4%
EBITDA	350.0	358.0	(2.2%)	1,426.2	1,381.2	3.3%
% EBITDA	12.2%	13.7%	(1.5%)	13.0%	13.0%	-
Net Profit	173.6	156.8	10.7%	705.3	612.9	15.1%
% Net Profit Margin	6.1%	6.0%	0.1%	6.4%	5.8%	0.6%

ANALYSIS AND EXPLANATION OF FINANCIAL STATUS AND OPERATING RESULTS (continued)

Q4/2017:

- o The Company achieved Total Food Business Revenues of Baht 2,867.1 million, an increase of Baht 252.4 million, or 9.7% YoY, with achieved growth for Total-System-Sales: TSS of 8.9% (Q4/2016: -0.1%) together with achieved growth for Same-Store-Sales - SSS of 2.9% (Q4/2016: -4.8%). The Total System Sales of all QSR outlets for most of the QSR brands increased after the end of the royal mourning period for the Thai people - except for Coldstone Creamery, The Terrace, and Yoshinoya, due to the intense competition.
- o For Q4/2017, the Company achieved a Gross Profit of Baht 1,475.1 million (Q4/2016: Baht 1,341.6 million), that is equal to a Gross Margin of 52.2% (Q4/2016: 51.7%). While the EBITDA margin was 12.2%, a decrease of 1.5% due to speeding up the opening of new QSR outlets during the last part of Q4/2017 towards the end of the year, that then resulted in increased selling and general administrative expenses. As such the Company achieved total Net Profit for the Food Business the of Baht 173.6 million, an increase of Baht 16.8 million, or 10.7%, YoY, due to the closures of QSR outlets with operating losses and with full depreciation and amortization of their operating assets.

FY/2017:

- o The Company achieved Total Food Business Revenues of Baht 10,987.6 million, an increase of Baht 390.4 million, or 3.7% YoY; with achieved growth for Total-System-Sales: TSS of 3.4% (FY/2016: 4.3%) together with achieved growth for Same-Store-Sales: SSS declining by -0.9% (FY/2016: -0.1%) resulting from the slowdown in overall domestic consumer consumption during the first half of the year. Nevertheless, total revenues of all outlets for KFC, Mister Donut and Auntie Annie's increased compared to 2016; while the operating results for Ootoya indicated a recovery of positive growth for its SSS growth compared to the previous continuous decreased growth for over 2 years.
- o For FY/2017, the Company achieved total Gross Margin for the Food Business of Baht 5,718.4 million (FY/2016 : Baht 5,519.9 million), which is equal to a Gross Margin of 52.5% (FY/2016: 52.1%); while the EBITDA margin was 13.0% - the same as for FY/2016. As such, the Company achieved total Net Profit for the Food Business of Baht 705.3 million, an increase of Baht 92.4 million, or 15.1%, YoY. This resulted from the closures of QSR outlets with operating losses and with full depreciation and amortization of their operating assets, together with the lower corporate tax payable amount due to the tax benefit in being able to claim as tax deductible expense at 1.5 times the actual investment amount.

3. Financial Status of the Company

Financial Position and Cash Flows

As at December 31, 2017, the Company had Total Assets of Baht 25,037.3 million, an increase from the end of 2016 of Baht 640.5 million (or an increase of 2.6% YoY). This is mainly due to the increase in leasehold right for the Centra by Centara Government Complex Hotel and Convention Center Chaeng Watthana totaling Baht 1,132.1 million, together with the reduction in the net value of property, plants and equipment due the depreciation and amortization costs relating to plants and equipment having been booked during the year.

As at the end of 2017, Total Liabilities was Baht 12,978.9 million, a decrease of Baht 300.6 million from the end of 2016 (or an decrease of 2.3%). This is mainly due to the repayment of debentures totaling Baht 1,000.0 million, as well as with obtaining a new long-term loan from a financial institution totaling Baht 400 million for use in the repayment of these debentures together with another loan of Baht 124.2 for use in supporting the investments relating to the new hotel development project in Dubai and the COSI Samui hotel.

The Company has Total Shareholders' Equity of Baht 12,058.4 million, an increase of Baht 941.1 million from the end of 2016, or an increase of 8.5%, mainly resulting from the Total Net Profit for FY/2017 of Baht 2,091.4 million and netting out the dividends paid totaling Baht 742.5 million together with the profit attributable to Non-Controlling Interests totaling Baht 100.0 million.

For 2017, the Company had Total Net Cashflow from Operations Activities of Baht 4,821.4 million, an increase of Baht 656.6 million, or 15.8%, YoY, that is partly due to the increase of Trade and other current payables totaling Baht 433.5 million, compared to the decrease of Baht 126.9 million in 2016, mainly from accrued expenses together with guest deposits.

Net Cash Flow used in Investment Activities totaled Baht 3,189.2 million, that is mainly related to investments in leasehold right of the Centra by Centara Government Complex Hotel and Convention Center Chaeng Wattana hotel totaling Baht 1,132.1 million, as well as the lease of a lagoon in the Maldives totaling Baht 365 million together with normal investments for the Hotel Business and the Food Business totaling Baht 1,371.1 million.

As for Net Cash Flow used in Financing Activities totaled Baht 1,911.3 million, mainly due to the repayment of debentures totaling Baht 1,000.0 million together with the dividends payment totaling Baht 742.5 million.

ANALYSIS AND EXPLANATION OF FINANCIAL STATUS AND OPERATING RESULTS (continued)

Analysis of Financial Ratios

Financial Ratios	2017	2016
Return on Equity Ratio (%)	17.2%	16.7%
Return on Asset Ratio (%)	8.1%	7.6%
Liquidity Ratio (times)	0.6	0.7
Net Debt *to Equity Ratio (times)	0.8	0.9
Interest Bearing Debt to Equity Ratio (times)	0.6	0.7

Remark: *Excludes deferred income

The Company achieved a Return on Equity Ratio (ROE) that increased from 16.7% in 2016 to be 17.2% in 2017; while Returns on Assets (ROA) increased from 7.6% in 2016 to be 8.1% in 2017 as a result of the increased Net Profit for 2017 compared to 2016.

The Liquidity Ratio decreased slightly from the end of 2016 to be 0.6 times as at the end of 2017, due to the decrease in cash and cash equivalents together with current investments.

The Interest Bearing Debts to Equity Ratio decreased from 0.7 times as at the end of 2016 to be 0.6 times as at the end of 2017, due to the decrease in interest bearing debts together with the increase in Shareholders Equity.

4. Factors that may influence the ongoing business operations and Trends for 2018

• Factors that may influence ongoing business operations

o The opening of operations or the full year – for the first year – of the new 151-room COSI Samui Chaweng Beach Hotel together with the start of construction for the new 282-room COSI Pattaya Naklua Beach Hotel.

o The acquisition of leasehold rights for the 204-room Centra by Centara Government Complex Hotel and Convention Center Chaeng Watthana, starting at November 26, 2017 to June 30, 2038, whereby the agreement was made with Dhanarak Asset Development Co.,Ltd. (DAD) in 2017, which resulted in the Company now having to include the operating performance in the Financial Statement of the Company compared to only recognizing the hotel management fees.

o Investing in the rights to lease the lagoon in the Maldives; whereby he Company has preliminary plans to develop and construct 2 resorts with a combined total of 300 rooms.

o Changing the Property Management System (PMS) and also the Revenue Management System (RMS), in order to achieve improved operational efficiency together with a database management system with single guest profile across multi-property levels so as to improve customer services as well as increased flexibility and agility in adjusting room rates to correspond to the ever-changing market conditions. The Company expects to complete installation and change over implementation for those hotels owned by the Company by the end of 2018.

• Trends for 2018

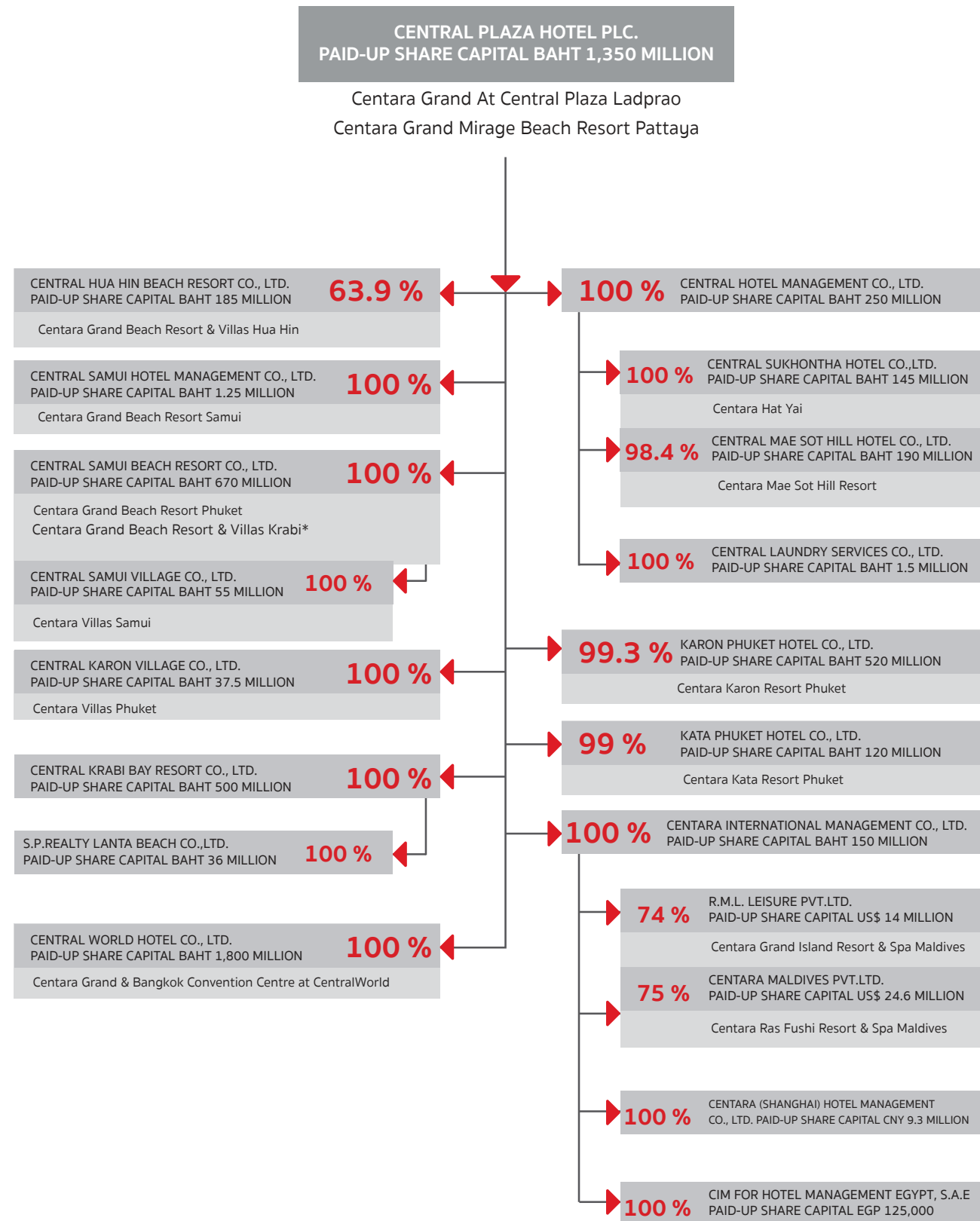
o Hotel Business: The estimated continuing increase in total international tourist arrivals each year is a key positive factor for the domestic hotels operations and for the Maldives properties so as to continue to improve their operations despite the negative pressures relating to the ongoing increased supply of total hotel rooms. The overall hotels operations can continue to grow; and the Company expects that achieved RevPAR will increase by approximately 3% - 4%, through focusing on the increase in room rates which will also enable increased overall profitability.

o Food Business: For 2018, there are many positive factors: the ongoing recovery of the Thai economy; the increase in consumer confidence; the expanding export sector; various stimulus initiatives implemented by the Government to drive increased consumer consumption and to improve the overall economy; and the recent increase in minimum wages throughout the country.

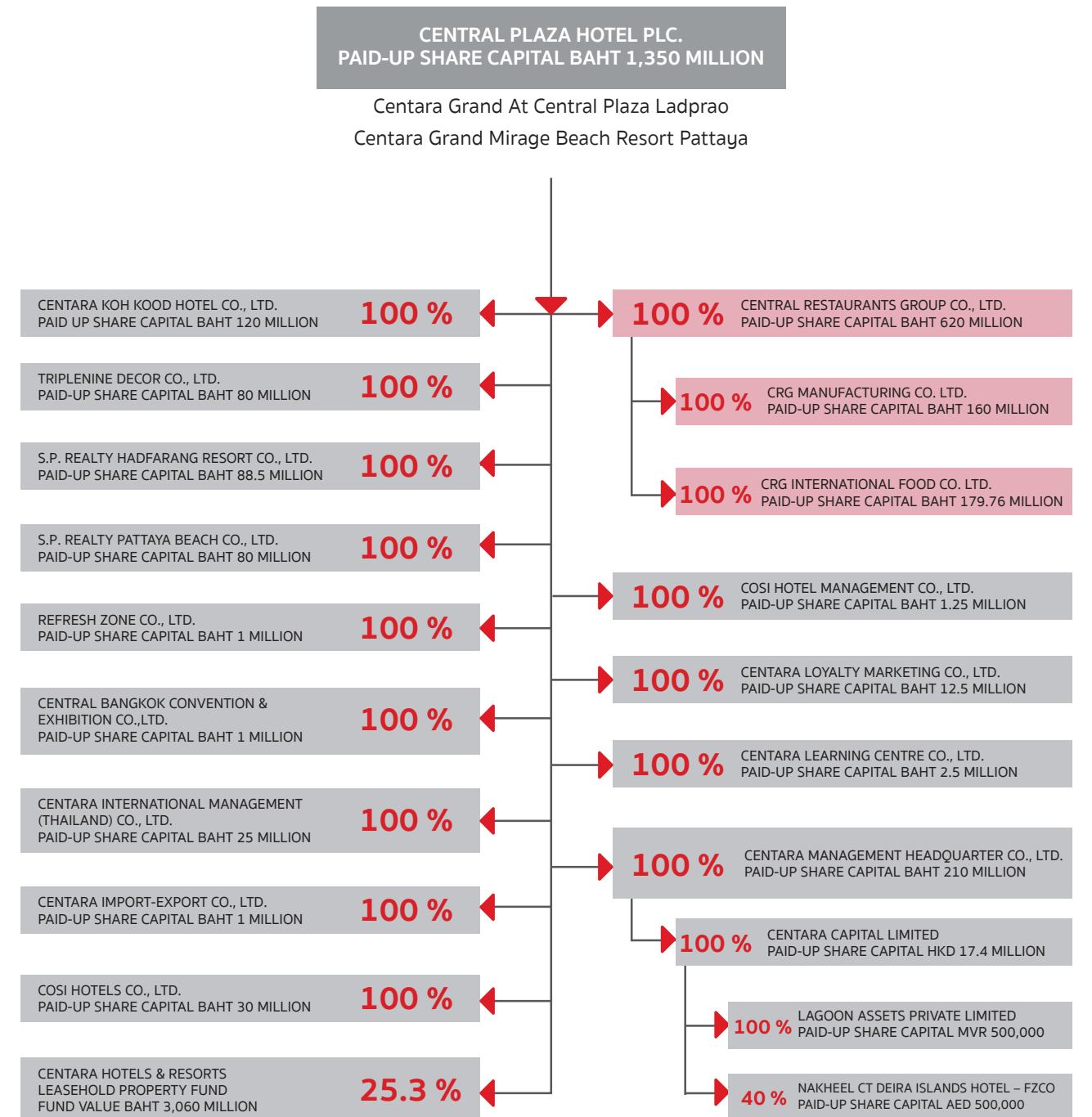
The Company estimates that Same Stores Sales (SSS) growth will be approximately 2% - 3% and Total Systems Sales (TSS) growth will be in the range of 7% - 8%. The Company believes that there are further opportunities to improve the overall profitability margin of the business; as such, the highest EBITDA margin ever achieved, after the increase in minimum wage, for the Food Business was 14% in 2012.

As for the future, the Company will still explore investment opportunities for both the Hotel Business and the Food Business, domestically and overseas, through mergers and acquisitions as well as joint ventures, which will help and enable the Company to achieve rapid growth by leaps and bounds.

BUSINESS STRUCTURE



*Owned by Central Krabi Bay Resort Co., Ltd.



REVENUE STRUCTURE

(Unit : Million Baht)

Business		Current % Holding	2017		2016		2015	
			Amount	%	Amount	%	Amount	%
Hotel	Sales revenues							
	Centara Grand at Central Plaza Ladprao Bangkok	--	1,055.8	5.2	1,055.6	5.3	1,087.8	5.7
	Centara Grand Beach Resort & Villas Hua Hin	63.9%	602.5	3.0	618.5	3.1	644.8	3.4
	Centara Grand Beach Resort Samui	100.0%	506.7	2.5	497.9	2.5	455.4	2.4
	Centara Hat Yai	100.0%	171.0	0.8	179.2	0.9	170.2	0.9
	Centara Mae Sot Hill Resort	98.4%	42.7	0.2	38.1	0.2	33.4	0.2
	Centara Villas Samui	100.0%	116.6	0.6	119.6	0.6	119.0	0.6
	Centara Villas Phuket	100.0%	98.1	0.5	94.4	0.5	94.7	0.5
	Centara Grand Beach Resort & Villas Krabi	100.0%	553.8	2.7	550.8	2.8	503.1	2.6
	Centara Grand & Bangkok Convention Centre at Central World	100.0%	1,588.5	7.8	1,603.0	8.0	1,536.9	8.0
	Centara Grand Mirage Beach Resort Pattaya	100.0%	1,179.4	5.8	1,102.2	5.5	1,115.5	5.8
	Centara Grand Beach Resort Phuket	100.0%	774.9	3.8	729.4	3.7	761.7	4.0
	Centara Karon Resort Phuket	99.3%	378.9	1.9	335.1	1.7	358.1	1.9
	Centara Kata Resort Phuket	99.0%	154.5	0.8	153.8	0.8	140.9	0.7
	Centara Grand Island Resort & Spa Maldives	74.0%	909.5	4.5	929.1	4.7	792.1	4.1
	Centara Ras Fushi Resort & Spa Maldives	75.0%	778.1	3.8	901.4	4.6	885.3	4.6
	Others	--	10.8	0.1	10.9	0.1	29.3	0.2
Total sales from Hotel Business			8,921.8	44.0	8,919.0	45.0	8,728.2	45.6

(Unit : Million Baht)

Business		Current % Holding	2017		2016		2015	
			Amount	%	Amount	%	Amount	%
Food	Sales revenues							
	Mister Donut	100.0 %	1,834.3	9.1	1,819.3	9.2	1,884.3	9.8
	KFC	100.0 %	6,058.2	29.9	5,823.4	29.4	5,548.7	28.9
	Auntie Anne's	100.0 %	780.0	3.9	752.0	3.8	736.0	3.8
	Pepper Lunch	100.0 %	377.0	1.9	278.6	1.4	194.6	1.0
	Chabuton Ramen	100.0 %	228.0	1.1	249.9	1.3	240.4	1.3
	Cold Stone Creamery	100.0 %	120.0	0.6	123.6	0.6	101.2	0.5
	Ryu Shabu Shabu	100.0 %	0.0	0.0	0.0	0.0	5.8	0.0
	Yoshinoya	100.0 %	189.8	0.9	196.8	1.0	196.3	1.0
	Ootoya	100.0 %	786.0	3.9	795.9	4.0	817.6	4.3
	The Terrace	100.0 %	118.2	0.6	143.4	0.7	126.8	0.7
	Tenya	100.0 %	97.6	0.5	72.6	0.4	57.6	0.3
	Katsuya	100.0 %	154.8	0.8	109.7	0.6	42.6	0.2
	Other sales revenues	100.0 %	148.7	0.7	163.9	0.8	142.6	0.7
Total sales from Food Business			10,892.6	53.9	10,529.1	53.2	10,094.5	52.5
Other income ⁽¹⁾			430.6	2.1	357.8	1.8	368.4	1.9
Total revenues ⁽²⁾			20,245.0	100.0	19,805.9	100.0	19,191.1	100.0

Note:

- (1) Other income comprised hotel management fee, rental and service fee, marketing support fund and subsidy, etc.
- (2) Total revenues did not include amortization of rental income (from the property fund) relating to the Centara Grand Samui Hotel Project for the year 2017 of Baht 100.3 million (FY2016 and FY2015: Baht 100.3 million each).

RISK FACTORS

In addition to the risks stipulated below, some risks are not yet known to the Company and some that the Company does not currently believe to be material can later become material. All stakeholders should acknowledge the impact and the likelihood of occurrence and carefully consider all other associated factors not limited to general and the specific risks contained in this document.

The Company has identified different types of specific risks, as follows:

UNCERTAINTY-BASED RISKS, INCLUDING:

Risk of decrease in market share as new competitors and new products enter into the market

The hotels industry is highly competitive and increasingly so, because of the increasing number of new hotels launched by both existing and new hotel operators competing for a share of the market. Additionally, there are additional risks resulting from the merger of large hotel chains aimed at increasing their brands and expanding their customer base, resulting in a fierce competition on pricing and the services offered. As such, in order to be in tune with the ever-changing business environment, the Company has developed a sales and marketing plan with the objective of being able to react swiftly in sync with the current market environment; such as: developing and promoting our customer loyalty program (i.e. CentaraThe1Card), continuously developing and implementing mobile device applications; making use of various types of communications media, and further developing our website. What we also regularly do is to seek and use regular feedback from customers and business partners we are dealing with, including market research and industry research. We also check our business environment regularly for risks such as changes in trends and customer expectations.

With regards to the management of changes in the business operations, the Company has set a policy to develop the information and communications technology systems of the organization, to support its ongoing business operations requirements. As such, this requires searching for the latest new technology systems and applications to effectively cover and support the various business processes that correspond to established corporate strategies, which emphasize on the overall business being well-prepared for the ongoing business growth, both in the domestic market and overseas. This process is underway to be implemented this year.

FLOOD OR OTHER NATURAL DISASTERS IS ONE OF UNCERTAINTY AROUND UNKNOWN OR UNEXPECTED EVENTS.

The reality of natural disasters such as flood, fire and even earthquakes can strike without warning. To reduce the impact of uncertain events, we have developed an emergency management plan to reduce the damage in an emergency.

We believe that a good emergency management plan would help protect livelihood by preparing for unexpected disruptions to business. Emergency management planning can also help identify risks to business, critical areas of business and how to best protect them. It also covers continuity and recovery planning to help prepare for and survive any emergency.

RISK IN COMPLIANCE WITH THE KEY TERMS AND CONDITIONS OF DEBENTURES

Under the obligations related to the Company issuing debentures, the Company is required to maintain the Ratio of Interest-bearing Debt to Shareholders Equity of not more than 2:1 times; whereby as at 31 December, 2017, the Company had a Ratio of Interest-bearing Debt to Shareholders Equity of 0.6 time.

RISKS RELATING TO FOREIGN CURRENCY EXCHANGE RATES

The Company and Companies within the Group receive part of the total revenues in foreign currencies that are received from room reservations by overseas customers and also from hotel management service fees; whereby the Company has determined its room rates through using the prevailing foreign currency exchange rates in each year based on relevant data analyses together with provisions for some fluctuations in the foreign currency exchange rates. The Company also has some expenses payable in foreign currencies such as initial fees for new franchised QSR outlets and payments for some food raw materials purchased from overseas suppliers. Nevertheless, in the past both the revenues received and expenses payable in foreign currencies accounted for only minor portion of the total revenues and expenses of the Company and Group of Companies respectively, consequently this would not negatively impact Company's performance significantly. Additionally, in expanding more into overseas markets, the Company and the Group of Companies are exposed to risks relating to the fluctuations in foreign currency exchange rates in converting the value of foreign currency revenues from its overseas operations into Thai Baht in its consolidated Financial Statements. With regards to sourcing funds for its operations, generally the Company will borrow funds in the same currency as required for its assets purchases, to be able to offset or benefit, as much as possible, from the resulting inherent protection against risks relating to foreign currency exchange rates fluctuations (i.e. natural currency hedge).

RISKS RELATING TO FLUCTUATIONS IN THE PREVAILING INTEREST RATES

Risks relating to fluctuating interest rates may have some adverse effect on the Company's cash flow. As at 31 December, 2017 the Company and its Subsidiary Companies had total interest bearing debt of Baht 6,965.2 million, or 53.7% of total liabilities. As such, if the overall interest rate increases or decreases by 0.25 bps, it will result in the Company and Subsidiary Companies having an increase or decrease in total interest expense of Baht 3.8 million accordingly. The Company and Companies within the Group recognize such risks together with the resultant effects from any fluctuations in the interest rates, through managing these risks relating to interest rate fluctuations in full accordance with the Company's Risk Management Handbook, to mitigate and reduce any risks relating to the then prevailing interest rates in the capital markets at any given time. As such, 78% of the total borrowings of the Company and Group of Companies are debts having fixed rates of interest.

HAZARD-BASED RISKS

Accident occur in everywhere and there is not any mechanism to stop accidents completely, however we have set some standards to prevent accidents in our hotels & restaurants. Although it may not happen regularly but as hotels are a 24 hour running business, so we arrange to have all basic arrangements and knowledge to handle accidents properly.

We ensure that our properties are absolutely safe for the customers, and we ensure that workplaces are safe for all employees. It is equally crucial for employees to know how to make the customers safe always. Moreover, it is also crucial to know potential safety hazards at work.

OPPORTUNITY-BASED RISKS

The Company invests overseas, resulting in the Company being exposed to various risks related to investing overseas, such as changes in the value of foreign investments, successful development of new projects, associated obligations from new agreements, applying for and acquiring the operating licenses and permits and involved applicable local laws and other requirements, as well as the relevant general risks for each respective country. However, the Company has in place various measures to control and closely oversee the development of new projects that include a detailed study and comprehensive analysis of the relevant information regarding the various business operating procedures for each respective country. Additionally, the Company has established a team of analysts to monitor and assess the economic, social and political environments relating to making investments in any country where the Company has never operated any business before. The Company mitigates and reduces those risks related to investing in new projects through undertaking such projects jointly together with new business partners that have a good potential to make an adequate assessment of the market situation together and study the relevant operating procedures until it feels confident of undertaking to operate a business in that country before actually deciding to proceed to invest at an equity holding proportion that can subsequently be further increased.

A photograph of three business professionals in a dark room, illuminated by a blue light. They are gathered around a large, glowing digital screen that displays a complex data visualization, possibly a financial chart or a network diagram. The hands of the individuals are visible, interacting with the screen. The person on the left is pointing at a specific data point, while the person on the right is also pointing. The person in the center has their hands clasped. The overall atmosphere is professional and high-tech.

CORPORATE GOVERNANCE

CORPORATE AND MANAGEMENT STRUCTURE

The Corporate and management Structure of the Company comprises of

- 1. The Board of Directors of the Company,
- 2. 3 (three) Board Committees,

with the following details:

1. THE BOARD OF DIRECTORS OF THE COMPANY

1.1 Structure and Composition of the Board of Directors and Appointment of Board Directors

- The Board of Directors must possess extensive experiences in the core business or industry sector of the Company, and disclose its policy on the composition of the Board.
- The Board of Directors determines the structure and composition of the Board, in order to comprise of Directors of varying qualifications – in terms of skills, abilities, experiences, relevant specific capabilities that are beneficial for the Company. The Board should have a total of not less than 5 Directors; and the Board must comprise of not less than 1/3 (one-third), but not less than 3, those who are Independent Directors as well as not less than half are residents of Thailand.
- The Chairman of the Board and the Chief Executive Officer are not the one and same person so that there will be a balance of power and authority in the operations of the business.

- Appointment of Company Directors is to be in full accordance with the relevant applicable legal and regulatory requirements, and to be undertaken in a transparent and clear manner.
- In the event that Directorship has completed the term of office and retires, a Shareholders Meeting will consider the appointment of new Directors; whereby such appointments are to be made via a majority vote of those Shareholders present at the Meeting; and in the event of a tie then the Chairman of the Meeting will cast the deciding vote.
- In the event that a Directorship becomes vacant for any reason other than a Director being required to retire by rotation, then the Board of Directors will consider to appoint a person, possessing the qualifications as well as not those that are prohibited in accordance to the legal and regulatory requirements, a replacement Director at the next Board of Directors Meeting, unless the remaining term of office of person who has ceased to be a Director is less than 2 months. However, the replacement Director will have a term of office equal to the remaining period of the term of office who that person has replaced; and the appointment of the replacement Director requires at least ¾ of the votes of those Company Directors remaining in office.

1.2 Qualifications for a Director

- A Director must be a person of legal age, who is not declared as being bankrupt, lacks abilities or similar to a person lacking abilities, has not received a final sentence to be imprisoned for any fraudulent activities, and has been disciplined or terminated from employment or has been discharged from a Government organisation on charges of fraudulent activities in their duties.
- A Director must be knowledgeable, capable and have experiences that are beneficial to the Company's business operations, and a person with honesty, moral ethics, as well as able to be in a position to devote sufficient time as required in carrying out the duties as a Director.
- A Director can concurrently also be a Directors in other businesses or orgainsations, such positions are not a hindrance to the effective discharge of the duties of being the Company's Director; whereby a Company Director is not allowed to concurrently be a Directors in more than 5 other SET listed companies organizations.
- A Director must not act in any way akin to managing or undertaking any other businesses that will diminish the befits of the Company, or that will afford benefits to others persons or legal entities regardless of the fact that the Director does so for personal gains or that of others.

1.3 Independent Directors

An Independent Director is a Director complete independent and free of being under the control, influence of or having any obligations towards the Management group, the majority Shareholder, as well as have any involvement or vested interests in the decisions of the Management group. As such, an Independent Director is required to have these qualifications in regard to being fully independent.

- A person who owns equity holdings of not more than 0.5 % of the total number of voting shares of the Company and its Subsidiaries, the Parent company and the JV companies, or any parties with a possible conflict of interests; whereby such equity holdings includes those held in the name of persons connected with or related to the Independent Director.
- Not being a person or a Director who is, or has been, involved in the management of, an employee or staff of, an advisor (with a monthly retainer) to, as well as a person with a controlling authority or power over, the Company and its Subsidiaries, the Parent company, the JV companies, a Subsidiary of parallel status, or any legal entities/parties with a possible conflict of interests - unless not less than 2 years have passed since having had such a status or held such a position, as described above, prior to being appointed an Independent Director.

CORPORATE AND MANAGEMENT STRUCTURE

(continued)

- Not being a person, related by blood or through legal registration, with the status of a father or mother, spouse, siblings, and children as well as including spouses of the children, of members of the Management group, the majority Shareholder, those with a controlling power over, as well as of someone about to be appointed a member of Management of or with a controlling a controlling power over the Company or its Subsidiaries.
- Not being a person who has or has had business relationships with the Company and its Subsidiaries, the Parent company, JV companies or any parties with a possible conflict of interests, in a manner that may result being a hindrance to the exercise of a fully independent judgment on his/her part; as well as not being a majority Shareholder, a non-Independent Director, member of the Management group of a party who has business relationships with his/her Company and its Subsidiaries, the Parent company, JV companies or any parties with a possible conflict of interests - unless not less than 2 years have passed since having had such a status or held such a position, as described above, prior to being appointed an Independent Director.

'Business relationships', as stated in the first paragraph above, includes any normal business transactions relating to normal business activities, the rental or renting of fixed assets, as well as any transactions relating to assets or services, and providing or receiving financial support and assistance in the form of receiving and providing loans or guarantees together with providing assets as loan collaterals and any such similar activities; whereby any such business relationships, as described above, would result in the Company in question or the counterparty having debt obligations the other party equal to more that 3 % of the total tangible assets of

the Company or more than Baht 20.0 million, whichever is the lower value. As such, the method of calculating of such debt obligations is to be the same as that use for assessing the value of connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions mutatis mutandis, relating to connected transactions, but the assessment of such debt obligations should only include those that occurs within a period of 1 year prior to the start of any such business relationships with the party in question.

- Not being a person who is or has been an Auditor of the Company and its Subsidiaries, the Parent company and JV companies or any legal entities/parties with a possible conflict of interests, as well as a majority Shareholder, a non-Independent Director, a member of Management, and a Managing Partner of an Audit firm in which the Auditor of the Company and its Subsidiaries, the Parent Company, JV companies or any legal entities/parties with a possible conflict of interests are currently employed - unless not less than 2 years have passed since having had such a status or held such a position, as described above, prior to being appointed an Independent Director.
- Not being a person who has provided any type of professional services (including legal or financial advisory services) to and receiving total fees payment being more than Baht 2.0 million for such services per year from the Company and its Subsidiaries, the parent Company, and JV companies or any legal entities/parties with a possible conflict of interests. - unless not less than 2 years have passed since having had such a status or held such a position, as described above, prior to being appointed an Independent Director. However, in the event that

the such professional services are provided by a legal entity, then the above prohibited position or status should also include being the majority Shareholder, a non-Independent Director, a member of Management, or the Managing Partner of any such legal entity providing the abovementioned professional services.

- Not being a Director who is has been appointed to represent a Director of the Company, or the majority Shareholder as well as a Shareholder connected to the majority Shareholder of the Company.
- Not be a person undertaking or involved with a similar business as that of the Company and significant business competitor of the Company and its Subsidiaries; or a person who is a significant partner in a Partnership, as well as a part of the Management group, staff and employee, an advisor with a monthly retainer, or a Shareholder with a shareholding in excess of 1 % of the total voting votes, of another company operating a business similar to that of the Company and its Subsidiaries.

- Not being a person with any other qualifications and/or status that will not enable the giving of fully independent opinions in regards to the operations of the Company.

An Independent Direct may be assigned by the Board of Directors to make decisions in regards to the operations of the Company and its Subsidiaries, its Parent company and JV Companies, as well as Subsidiaries Companies of a parallel status or other legal entities with a possible conflict of interests; whereby such decisions will be made on a collective basis as a group.

CORPORATE AND MANAGEMENT STRUCTURE

(continued)

1.4 Role and Responsibilities of the Board of Directors

- Carry out the duties and responsibilities in accordance with all the legal and regulatory requirements, as well as with the Articles of Association of the Company, the resolutions of both the Board of Directors and the Shareholders Meetings, in an honest and responsible manner and integrity, always keeping in mind the best interests of the all Stakeholders on an equal basis.
- Consider, review and approve the important issues relating to the business operations of the Company; define the vision and mission, policies, together with the business strategies, business objectives and goals, annual budgets; as well as oversee and monitor that the Management group efficiently and effectively discharge its duties according all the established policies and plans.
- Determine and approve the policies and guidelines relating to good corporate governance practices as well as ensure these are full documented; whereby the Board of Directors will also regularly review and update these policies as well as monitor that they are full comply to as required. Additionally, the Board will promote and arrange that a written Code of ethics and good business conducts be published, so that all Directors, members of management and Staff full understand the required standards of ethics to be adopted by the Company in the operations of its businesses. The Board will also monitor that these established standards are fully adhered to by everyone in the organisation.
- Consider and approve the establishment of the various Board Committees to support the Board to carry out its responsibilities as appropriate and necessary; whereby

the Board will also regularly review and monitor both the various activities and outputs of these Board Committees.

- Independent Directors on the Board should be fully independent in rendering their judgments when considering and determining the Company's strategies, management of resources, appointments of Directors and the required standards of business operations; and should also be prepared to disagree with any actions on the part of the Management group or even other Directors in the event they have any conflicting views on the possible impacts with regard to the equal status or rights or status of all Shareholders alike.
- Consider in a careful manner any situations involving conflicts of interests or benefits; whereby considerations of such transactions with possible conflict of interests must be undertaken within clearly defined guidelines and for the primary benefits of the Company and all its Shareholders; whereby those involved parties having vested interest must not participate in such considerations, and the Board must oversee and ensure that the established procedures in regard to the required consideration process and transparent disclosures of all relevant information on the specific transaction involving a conflict of interests are strictly adhered to.
- Establish clear policies and guidelines on the required process and procedures to be implemented in regards to any connected transactions.
- Define and establish a system of good governance and management, procedures for financial reporting, as well as the process for overseeing compliance to all the legal and regulatory requirements and established policies of

the Company. The Board will also establish an internal group that is fully independent and responsible for undertaking the above mention oversight and monitoring activities and for reviewing all the key internal systems at least once a year.

- Define policies relating to risks management systems to cover the entire organisation, with the Management group being responsible for their implementation and submitting reports to the Board of Directors on a regular basis; as well as review and assess the overall adequacy of such risks management systems at least once a year or whenever the degree of risks have changed, which includes giving importance to any advance warning signals or red flags and various irregular incidents that may occur.
- Define and establish an effective and adequate system of internal controls; whereby the Board and/or the Audit Committee to report on adequacy of the existing system of internal controls and risks management in the Company's Annual Report.
- Establish clear guidelines and procedures for the Audit Committee being required to report to the Board upon finding or suspecting any activities or incidents that may have a significant negative impact on the financial status or the operations of the Company; whereby the Board must rectify or improve such incidents within the recommended appropriate timeframe proposed by the Audit Committee.
- Arrange regulars review and assessments of as well as improvements to the established policies and key business plans, in order to make them appropriate to

the current business environment. Additionally, establish succession plans for the key senior Management positions of the Company; and create the position of the Company Secretary, responsible for coordinating the various activities of the Board of Directors so as to enable both the Board and the Company to comply with all the relevant legal and regulatory requirements.

- Ensure that the Company operate its business within the principles and guidelines of good corporate governance; and support effective communications and dissemination of these principles to all employees within the Company, so that they will both be fully aware and act with full compliance accordingly.
- Carry out any other responsibilities relating to the Company's business that may be assigned by the Shareholders

CORPORATE AND MANAGEMENT STRUCTURE

(continued)

1.5 Meetings of the Board of Directors

- The Board of Directors is required to hold a Board meeting every 3 months; whereby these meetings will be scheduled in advance for the entire year, with also extraordinary meeting to be held for any special occasions, as necessary.
- At least 2 Directors together have the right to request for a Board Meeting to take place, whereby the Chairman of the Board (or a person assigned to do so) will decide the date for such a meeting to held within 14 days of receiving such a request.
- The Chairman of the Board (or a person assigned to do so) will call for a Board Meeting through sending out a Letter of Notification, with details of the date, time and venue for a schedule meeting, not less than 7 days prior to the proposed meeting date – unless, for special reasons or necessity, there is a need for a Board Meeting to take place in order to protect the best interests of the Company; whereby other means of notification will be used for call a meeting within a shorter timeframe.
- For every Board Meeting, there must be at least on half of the total number of Board Members attending to constitute a quorum; whereby the Chairman of the Board will Chair the meeting. However, in any meeting, if the Chairman of the Board not be able to attend or undertake this duty, then the attending Directors will select one of their peers to act as the Chairman for that meeting.
- Any decisions or resolutions of the Board of Directors must be based on a majority vote; whereby each Director

has only one vote, and in the event of a tie then the meeting Chairman will cast an additional and deciding vote. Any Directors having a vested interest in a matter being considered must excuse themselves from the discussions and also has no right to vote for that specific matter.

- The Board of Directors can invite members of the Management group or any other involved person(s) within the Company to join a meeting to clarify and make comments on, or to express their opinions relating to any matters being considered at the meeting.
- Non-Executive Directors must meet together, at least once a year, without any Directors who are members of the Management group being present, in order to discuss and exchange opinions on the responsibilities and activities of the Management group.
- The Company Secretary (or a person assigned to do so) will be responsible for taking the minutes of the Board Meetings.

2. BOARD COMMITTEES

2.1 Audit Committee

The Audit Committee comprises of these Directors:

1. Mr.Bhisit Kuslasayanon : Chairman
2. Dr.Charnvithaya Suvarnapunya : Member
3. Mr.Vichien Tejapaibul : Member

Duties and responsibilities of the Audit Committee

1. Undertaking the activities assigned by the Board of Directors, in accordance with the Charter for the Audit Committee - with regard to reviewing and assessing, together with the external Auditors and the Internal Auditor, that the Company has in place an effective system of internal controls of that are appropriate and adequate; and reviewing the internal audit records and reports in the event of any conclusions and suspicions of possible abnormal or fraudulent activities as well as significant deficiencies in the internal controls system, as well as submitting its findings to the Board of Directors with recommendations for further consideration.

The Audit Committee is also responsible for considering and nominating independent persons to be appointed as external Auditors of the Company, together with proposing the associated remuneration package for the external Auditors. The Audit Committee is also required to meet with the external Auditors at least once a year without any members of the Management group being present.

2. The Audit Committee comprises of at least 3 Independent Directors, or as determined by the SEC, and consisting

of the Chairman and respective Members, all of whom must possess all the required qualifications of being an Independent Director and able to render impartial judgments according to the assigned duties and responsibilities with full independence and in an equitable manner, as specified by the requirements of the SEC. Members of the Audit Committee must be knowledgeable and adequately experienced enough to carry out the required responsibilities as an Audit Committee member; whereby at least one member must be fully knowledgeable and well-experienced to review both the correctness and creditability of the Company's financial statements.

3. In every meeting of the Audit Committee, there must be a not less than one half of all the Audit Committee members attending the meeting to constitute a quorum.
4. A Member of the Audit Committee has a term of office of not more than 3 years or that which is equal to the remaining term of office as a member of the Board of Directors; whereby Members of the Audit Committee whose term of office has expired can be appointed as a Member again for another term. However, in the event that there is a vacancy in the Audit Committee, for any reason other than retirement due to the expiration of the term of office and retirement by rotation, then Company's Board of Directors will appoint a person possessing all the required qualifications to be a Member of the Audit Committee so that the Committee has the total required number of Members; whereby that replacement Member will be a member only for the remaining duration of the term of office of the Member being replaced.

CORPORATE AND MANAGEMENT STRUCTURE
(continued)

<p>5. The Director for internal Audit will be appointed concurrently as the Secretary to the Audit Committee, responsible for arranging and preparing for the meetings of the Audit Committee as well as coordinating all the required reports for submitting to the Board of Directors, investors, the Shareholders and the SET. The Secretary of the Audit Committee is required to attend all meetings of the Audit Committee but has not voting rights in any matters being considered and discussed; and is also able to propose that an assistant to the Secretary be appointed.</p> <p>6. The Audit Committee is required to meet at least 4 times a year to review the financial statements, the internal controls system, the risks management system, compliance to all the legal and regulatory requirements of the SET and the Public Companies Act. Notifications of scheduled meetings must be made not less than 5 days before the scheduled date of the meeting with the scheduled dates are determined in advance for the year, whereby all Members of the Audit Committee are required to attend at least 3 out of the 4 of the scheduled meeting during the year.</p>	<p>2.2 The Nomination and Compensation Committee</p> <p>The Nomination and Compensation Committee will comprises of at least 5 Members, of which not less one half must be Independent Directors or external Directors; with at least not less than one half of total number of Members, and inclusive of at least one Independent or external Director, attending the Committee Meeting to constitute a quorum.</p> <p>A Member of the Nomination and Compensation Committee has a term of office of 3 years; whereby the term of office of a Member will be equal to the remaining term of office as a member of the Company's Board of Director, with Members being selected for appointment by the Board of Directors, and those Members retiring by rotation can be appointed for another term.</p> <p>The Nomination and Compensation Committee is required to meet as necessary and appropriate to effectively discharge its responsibilities as required by the regulations relating to the Nomination and Compensation Committee but not less than once a year; whereby the Chairman of the Committee is responsible for sending out notification regarding details of the scheduled meeting, together with the agenda items to be considered and any relevant supporting documents, sufficiently in advance to enable Members to adequately review and prepare for the meeting, as well as for reporting the outcome of the Committee's meetings and activities to the Board of Directors after every meeting.</p>	<p>Names of the current Members of the Nomination and Compensation Committee are as follows:</p> <p>1. Dr. Charnvithaya Suvarnapunya : Chairman</p> <p>2. Mr. Vichien Tejapaibul : Member</p> <p>3. Mr. Bhisit Kuslasayanon : Member</p> <p>4. Mr. Sudhitham Chirathivat : Member</p> <p>5. Mr. Prin Chirathivat : Member</p> <p>Duties and responsibilities of the Nomination Committee</p> <p>1. Propose, to the Board of Directors for approval, policies relating to the selection and nomination of Company Directors, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.</p> <p>2. Propose, to the Board of Directions for consideration and approval, the selection and nomination of the Chief Executive Office of the Company, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.</p> <p>3. Review and propose, for approval by the Board of Directors, strategies and policies relating to the human</p>	<p>resources matters that are appropriate for and in line with the business strategies and operations of the Company.</p> <p>4. Select and nominate persons with the required credentials, moral ethics, and appropriate qualifications credentials for being appointed as Directors and/or the Chief Executive Officer of the Company, as applicable.</p> <p>5. Review the composition, total number and experiences of Company Directors to be appointed, together with those qualified nominees to fill any vacancies that occur.</p> <p>6. Oversee and ensure that effective succession plans are in place for the positions of Company Directors and Chief Executive Office.</p> <p>7. Determine the terms and conditions of the employment contract for the position of the Company Directors and Chief Executive Officer of the Company together with the associated succession plans.</p>
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CORPORATE AND MANAGEMENT STRUCTURE
(continued)

<p>Duties and responsibilities of the Compensation Committee</p> <ol style="list-style-type: none">1. Determine and submit to the Board of Directors for consideration and proposal for eventual by the Shareholders Meeting, the policies and appropriate structure relating to the compensation and benefits of Company Directors that are in line with the established business strategies and operations of the Company, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.2. Determine and propose, for consideration and approval by the Board of Directors, the policies and appropriate structure relating to the compensation and benefits of Chief Executive Officer that are in line with the established business strategies and operations of the Company, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.3. Recommend guidelines and process for payment of the compensation and benefits, both in the form of monies and in other forms, for the Board Directors, Members of Board Committees established by the Board, as well as for the Chief Executive officer of the Company.4. Review and assess that the composition, structure and amount of compensation to be adopted are in line with the current market environment together with being	<p>appropriate for the business operations of the Company as well as required activities and performance outputs of the Company Directors and the Chief Executive Officer.</p> <ol style="list-style-type: none">5. Oversee and ensure that the Company Directors and the Chief Executive Officer receive the appropriate compensation and benefits package commensurate with the expected duties and responsibilities towards the Company.6. Determine the performance evaluations process and procedures for Company Directors as well as the Chief Executive Officer that will facilitate the review and required annual compensation increase taking into consideration the required duties and relevant risks as well as giving importance to the long term value added to the to the overall Shareholders equity in the long term.7. Review and submit, for consideration and approval by the Shareholders Meeting, the proposed annual compensation package to be adopted for Company Directors.	<p>2.3 Risks Management and Governance Committee</p> <p>The name of the current members of the Risks Management and Governance Committee are as follows:</p> <ol style="list-style-type: none">1. Mr. Sudhitham Chirathivat : Acting Chairman2. Mr. Prin Chirathivat : Member3. Mr.Thirayuth Chirathivat : Member4. Dr. Ronnachit Mahattanapruet : Member <p>The Corporate Risks Management and Governance Committee</p> <p>A Risks Management and Governance Committee at the corporate level has been established, with the approval of the Company's Board of Directors, comprising of Independent Directors together with representative of the Management Group and with an Independent Director as the Chairman of this Committee, and having the following responsibilities:</p> <p>Risks Management Activities</p> <ol style="list-style-type: none">1. Responsible for reviewing the policies, strategies and relevant organisation structure relating to overall management of risks, together with undertaking appropriate activities to ensure that the proposed strategic plans conform to the established acceptable levels of risks (or risks appetite) of the Company as wells to the requirements of all Stakeholders.	<ol style="list-style-type: none">2. Support the overall operational activities of the respective risks management committees at the various operating levels.3. Monitor and evaluate the effectiveness and efficiency of the overall risks management activities within the Company.4. Understand and able to assess the various potential risks that may negatively affect the achievement of the established objectives and goals of the organisation, as well as ensure that such risks have been manage in an effective manner so that they at the level of risks acceptable for the Company.5. Make recommendations regarding as well as and give concurrence to various risks management measures within the organisation.
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CORPORATE AND MANAGEMENT STRUCTURE
(continued)

<p>Governance Activities</p> <p>Define as well as review relevant policies, guidelines and operating procedures to conform to the principles and practices of good corporate governance. Determine policies and action plans relating to corporate social responsibilities. Hold meetings to monitor the progress made with regard to planned good corporate governance practices and social responsibilities-related matters; together giving necessary support, as required, to the corporate governance working group, as well as reviewing and evaluating internal activities based on the principles of good governance so that recommendation for improvements to specific issues can be made.</p> <p>This Committee should also represent the Company, with regard to the Management group, staff and employees, and any external parties, in communicating about as well as the implementation of any activities relating good corporate governance.</p>	<p>and responsibilities of being the Chief Executive Officer of the Company, as well as so long as those other businesses are not the same as or compete with that of the Company; whereby prior concurrence to becoming a Director in another business is given by the Company's Board of Directors.</p> <p>The initial performance evaluation process of the Chief Executive Officer is the responsibility of the Nomination and Compensation Committee; thereafter the Committee then will submit its performance evaluation of the Chief Executive Officer to the Board of Directors for consideration and concurrence; whereby the Chief Executive Officer participates in the initial determination of the various expected performance targets and then the eventual approved performance objectives and goals to be achieved in every year.</p>	<p>with regard to the Company</p> <ol style="list-style-type: none">3. Give advice on the legal requirements relating to the activities and responsibilities of being a Director of the Company operations of the Company4. Undertake any other duties as may be assigned by the Board. <p>The Board of Directors has established various processes to be observed relating to the strict oversight of any transactions involving possible conflict of interests. Clearly defined policies and procedures have been established to approve any connected transactions, which are required to be strictly followed; whereby the Audit Committee will consider, review and give its concurrence to any such significant transactions that are not within the scope of authority of the Executive Committee. Thereafter, the Board of Directors will also carefully consider the appropriateness of such proposed transactions, keeping in mind the best interest of the Company as the prime factor in its decision; whereby the Director(s) having any vested interest will not take part in the consideration and will not have a vote in the matter being considered.</p>	<p>Self Evaluation of the Board of Directors</p> <p>The Board of Directors have established guidelines and processes for the self evaluation of the Board, whereby both the self evaluation of the entire Board, as a group, in the performance its duties and responsibilities takes place at every Board Meeting and the self evaluation of the Directors, on an individual basis, in performing his/her responsibilities take place once a year, as well as the Board will review these self evaluation outputs amongst themselves in order define ways for making improvements in their required activities for the future.</p>
<p>Chief Executive Officer</p> <p>The Chief Executive Officer is the senior most member of the Management group, who is appointed by the Board of Directors, with responsibility for the overall management and operations of the Company in line with the established vision and mission as well as policies and strategies that are within the scope and framework of the legal requirements, objectives and Articles of Association of the Company as well as the resolutions of the Board of Directors and the Shareholders.</p> <p>As such, the Chief Executive Officer can also be a Director ion other legal entities or Companies so long as this does not interfere or be an hindrance to the discharge of the duties</p>	<p>The Company Secretary</p> <p>The Company will assign the following duties to the person appointed as the Company Secretary:</p> <ol style="list-style-type: none">1. Prepare and maintains all documents relating to the Board of Directors and its activities, to the Shareholders – namely: the Directors register, letters of notifications for Board Meetings and Shareholders Meetings, minutes of the Board Meetings and Shareholders Meetings, and Annual Reports together the Quarterly/Annual Financial Statements of the Company.2. Maintain all reports from the Directors and members of the Management group regarding their vested interests		<p>Determination of Board Compensation</p> <ol style="list-style-type: none">1. The Board of Directors has clearly determined the structure and guidelines for determining the annual compensation package and other benefits for Board Directors, with comparisons being made to those Companies within the same industry sector, which are eventually submitting for approval by the Shareholders Meeting; whereby the Nomination and Compensation Committee will initially review and assess, in a fully transparent and equitable manner, that the total amount of monies to be paid in any year are commensurate with the required duties and responsibilities, as well as appropriate to other surrounding factors and the benefits to be received in return from each individual Director.2. Those persons who are appointed as new Directors of the Company will receive a handbook that includes detailed information about the Company, its business operations and activities, the applicable legal and

CORPORATE AND MANAGEMENT STRUCTURE
(continued)

regulatory requirements as well as any other relevant regulations, and other business information that are important for the discharge of the responsibilities of a Company Director, as well as Minutes of the previous Board Meetings and Audit Committee Meetings the Shareholders Meetings. These new Directors will also be introduced to the other members of the Board of Directors and senior Management. Additionally, they will be encouraged and receive support in attending various training courses and associated seminars or event that will enhance their abilities to effectively discharge their duties as a Director of the Company.

Internal Controls

The Board of Directors of the Company has arranged to establish an internal controls system covering all aspects of the Company's operations and activities – from financial matters, overall operations, operating with full compliance to all relevant legal and regulatory requirements, and management of risks. This also includes the establishment of various audit procedures and effective balance of powers and responsibilities to fully protect both the investments and the assets of the Company on an a continuing basis, establish various levels of authority of approvals as well as overall authority of members of Management and Staff, and establishment of written business operation procedures. Additionally, an Internal Audit group has been established responsible for the review of activities of both the internal operating and supporting business units within the organisation, to ensure that they all fully comply to the established procedures, as well a to regularly review and assess the effectiveness and adequacy of the applicable existing internal controls for each business unit. As such, the Board of Directors enables the Internal Audit group to be full independent in its audit activities and an effective balance of authorities, reporting directly and regularly as required to the Audit Committee.

The Audit Committee is responsible for assessing the qualifications and appropriateness of the Director of the person to be appointed as the Director of Internal Audit group. The Audit Committee will also appoint this qualified person to be concurrently the Secretary of the Audit Committee, with responsibility for arranging and preparing for meetings of the Audit Committee and for coordinating the submission of all required reports to the Board of Directors, investors, Shareholders, and the SET; whereby the Secretary of the Audit Committee must attend all meeting of the Committee but has not right of vote in any matters being considered, as well as has the right to propose the appointment of an Assistant Secretary. Further, the appointment, transfer or dismissal of the Director of Internal Audit group must have the concurrence of the Audit Committee.

As at 31 December 2017, the Internal Audit Group had a total of 15 people. The biographer and qualifications of the incumbent Director of the Internal Group is as follows:

Name: Mr. Pakdee Onnipa
Position: Internal audit director
Age: 50 years

Academic and relevant training & development qualifications:

- 2nd class honors of Bachelor of Accountancy, Ramkhamhaeng University,
- Risk Based Audit (by IIAT)
- Operational Auditing (by IIAT)
- IT Auditing (by FAP)
- Fraud Auditing (by P&D Training)
- Fraud Prevention for Management (by Dharmniti)
- Tax Strategies & Tax Planning for Hotel Business (by Dharmniti)

Professional Experience:

- 1997 - Present: Director of Internal Audit Department of Central Plaza Hotel Public Company Limited
- 1995 - 1997: Internal Audit Manager of Phatraprasit Holding Co.,Ltd.
- 1992 - 1997: Internal Audit Manager of S.Khonkaen Foods Public Company Limited.

BUSINESS ETHICS

In undertaking the business operations for the sake of achieving maximum benefits for the Shareholders, the Board of Directors of the Company has established a core policy to give equal and concurrent importance to the actual achievement of corporate success as well as to both the means of and methods used in achieving such successes.

As such, so as to conform to the above mentioned core policy, the Board of Directors has defined a set and standard of behaviour to be strictly observed be all Directors, members of the Management group, and all employees in carrying out their business activities; as well as have compiled a “Code of Ethics and Good Business Conduct” so as to enable that these standards of expected behavior are clearly and easily understood and followed by Directors, members of Management and all employees in their behaviour towards and treatment of all staff, Shareholders, customers, business partners, competitors, as well as society as a whole together with local communities and the environment.

As such, the Board of Directors has put in place processes and procedures to oversee and ensure that these standards of behaviour are strictly adhered to by all parties at all times.

INTERNAL AUDITING



The Central Group recognizes the key importance of having a good system of internal controls.

As such, since 1992 the Central Group has established the Internal Audit Unit that is assigned with the responsibility of undertaking internal audit activities, with Professor Viroj Lowhaphandu, who is currently Honorary Advisor to the Board Committee, as the first person to be the driving force in its establishment even before the Stock Exchange of Thailand (SET) announced its formal requirement for internal audit activities to be established within SET-listed companies. The Central Group invited Professor Viroj Lowhaphandu to be the Advisor in tax matters as well as in internal audit activities, since he was well-experienced with Thai tax laws and related issues. Professor Viroj was formerly the Director General of all tax collection Departments (i.e., the Revenue Department, the Thai Customs and the Excise Department) of the Ministry of Finance; and he has graduated from the Faculty of Commerce in Accounting and Law Degree from Thammasart University together with a Masters of Business Administration Degree (Taxation) from an American University.

Professor Viroj Lowhaphandu considered that the majority of the business activities within the Central Group at that time consisted mainly of the Department Stores operations, the production of clothing items and cosmetic products for

sale together with the hotel operations and fast food services businesses. He believed that a system of internal audit activities and associated procedures should be established for each Business Unit, in order to prevent loss of goods together with internal control system and internal auditing appropriate for the hotels business and fast food business operations. He, therefore, proposed that a formal Internal Audit Unit should be set up for the Central Group together with determining the associated internal audit procedures, whereby this key internal function was set up separately for each main Business Group, i.e.,

1. Retail or Department Stores Operations Business Group
2. Consumer Goods and Cosmetic Products Production Business Group
3. Hotels and Fast Food Services Operations Business Group

As such, the primary objective was to make the respective Management of each Business Group feel confident about the effectiveness and efficiency of the internal control procedures within each respective operations, as well as feel confident in the credibility and accuracy of the financial information, compliance with established internal rules and regulations together with preventing any fraudulent activities internally within the organization.

At the initial stage of setting up the Internal Audit Unit within the Central Group of Companies, Professor Viroj Lowhaphandu also arranged to hold various training courses for the internal audit staff through inviting experienced Internal Auditors to share their knowledge and experiences, in order that they would fully understand their assigned responsibilities. Additionally, thereafter, a review was made to assess whether all the appropriately corrected taxes have been paid as required, through inviting experienced former officials from the Revenue Department to help in this tax payments review exercise. The internal audit staffs were separated into 3 main internal audit working groups as follows:

Group 1 Audit of the Retail and Production Businesses Operations

Group 2 Audit of Hotels and Fast Food Businesses Operations

Group 3 Audit of Correct Corporate Tax Payments, VAT payments as well as Specific Business Tax and Withholding Taxes Deductions and Payments

This resulted in the Internal Audit Unit within the Central Group of Companies working in a more systematic and effective manner, as well as in further developing their assigned activities.

Subsequently, in 1999, a separate Internal Audit Unit was established specifically to audit the Hotels and Fast Food Business Operations for the Central Plaza Hotels Pcl. (CENTEL), that became a separate SET-listed company within the Group.

Currently, the Internal Audit Unit for the Hotels and Food Businesses Groups has clearly determined an Audit Plan together with an associated Audit Program, based on the degree of effectiveness and adequacy of the associated system of internal controls together with the respective level of risks. This is so that the audit plans will directly correspond to the degree of the respective risks, whereby these activities will include financial audit, operational audit, and compliance audit of the various operating Departments of the Company and Companies within the CENTEL Group. As such, every year the Audit Committee determines the audit plans to ensure they are improved every year so as to always be appropriate and timely to the latest business situation. Moreover, the Internal Audit Unit recruits those who are appropriately knowledgeable and capable, as well as develops the current internal audit staffs by providing training on a continuing basis together with improving the associated internal audit working procedures so that they continue to be more effective every year.

During the internal audit process, if any deficiencies are found the Internal Audit Unit will suggest the corresponding correct operating procedures together with defining the appropriate internal control process for each and every issue found. Furthermore, ongoing monitoring will be undertaken to ensure that Management has implemented the suggested improvements as provided by the Internal Audit Unit, so as to prevent against any repeated issues or adverse situations from occurring in the future.

Currently the Internal Audit Unit is divided into 2 main Working Groups, in order to be efficient and appropriate for the present situation and operating environment, as follows:

- a. Internal Audit for the Hotels Business in Thailand
 - Review and audit each Company-owned and operated hotel property – 2 times a year
 - Review and audit each hotel property being managed by the Company – 1 time a year
- b. Internal Audit Unit for the Hotels Business overseas and for the Food Business
 - Review and audit each Company-owned and operated hotel property and also each hotel property being managed by the Company – 1 time a year
 - Review and audit the Food Business operations located in Bangkok and in the provinces, especially those located in key provincial urban centers (or amphur muang) and key amphur of each province

The current budgeted total number of Internal Audit staff of CENTEL is not more than 15 persons.

DIRECTOR BIOGRAPHY

As at 31 December 2017, Board of Director composed of 10 persons, details are as follow

MR. SUTHIKIATI CHIRATHIVAT (Age 75 Years)

Chairman of the Board

Date of being a director of the company : 12 December 1993

% Shareholding in the Company :

31,070,141 shares (or 2.30% of paid up shares)

Education	<ul style="list-style-type: none"> • Honorary PhD in Business Administration Program, Dhurakij Pundit University • Honorary PhD in Hotel and Tourism Studies, Kasem Bundit University • Honorary PhD in Mass Communications, Ramkamhaeng University • M.A. (Political Science), Ramkamhaeng University • B.A. (Political Science), Ramkamhaeng University • Diploma in Mechanical Engineering, South West Essex Technical Collage, U.K. • National Defense College, The Joint State - Private Sectors Course, Class 1 • National Defense College, The Modern Management Course, Class 1
Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> • 2008, Director Accreditation Program (DAP)
Experience	<ul style="list-style-type: none"> • Assistant Manager, Central Trading Co., Ltd. • Assistant General Manager, Central Department Store Co., Ltd. • Heads of Political Science Association, Ramkamhaeng University and Committee of Ramkamhaeng University Council • The Founder and Head of Thai Retails Association, Thai Retails Association • Advisor to The Minister of Tourism and Sports, Ministry of Tourism and Sports • One of the Founding Members importer and owner in usage of barcodes in Thailand, Central Ladprao Shopping Complex project
Other Current Positions	
- Listed Company	<ul style="list-style-type: none"> • Chairman Executive Committee, Post Publishing Plc. • Director, Central Pattana Plc.
- Non Listed Company	<ul style="list-style-type: none"> • Director, Post International Media Co., Ltd. • Director, Post – ACP Co., Ltd. • Director, Post – IM Plus Co., Ltd. • Director, Thai Tourism Industry Association
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> • None
Meeting Attendance in 2017	
- The Board of Director's meetings	<ul style="list-style-type: none"> • 5/5

MR. SUTHICHAIR CHIRATHIVAT (Age 77 Years)

Vice Chairman

Date of being a director of the company : 12 December 1993

% Shareholding in the Company :

17,824,473 shares (or 1.32% of paid up shares)

Education	<ul style="list-style-type: none"> • Honorary Doctor of Business Administration Program, Chiangrai Rajphat University • Diploma in Civil Engineering Kingston College of Technology, U.K.
Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> • 2006, Director Accreditation Program (DAP) • 2000, Role of Chairman Program (RCP)
Experience	<ul style="list-style-type: none"> • Chairman, Chief Financial Officer, Central Group of Companies Co., Ltd. • Assistant General Manager, Central Department Store Co., Ltd. • Manager, Central Department Store-Silom Branch • Assistant Manager, Central Department Store-Silom Branch
Other Current Positions	
- Listed Company	<ul style="list-style-type: none"> • Chairman, Central Pattana Plc.
- Non Listed Company	<ul style="list-style-type: none"> • Chairman, Central Group of Companies Co., Ltd.
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> • None
Meeting Attendance in 2017	
- The Board of Director's meetings	<ul style="list-style-type: none"> • 5/5

DIRECTOR BIOGRAPHY (continued)

MR. BHISIT KUSLASAYANONT (Age 76 Years)

- Independent Director
- Chairman of Audit Committee
- Member of Nomination and Compensation Committee

Date of being a director of the company : 12 May 2005

% Shareholding in the Company : None

Education	<ul style="list-style-type: none"> • Master degree of Engineering, New South Wale University, Australia • Bachelor degree of Engineering, The University of Sydney, Australia • National Defense College, The Joint State - Private Sectors Course, Class 8
Experience	<ul style="list-style-type: none"> • Director, Committee of Mahidol University • Managing Director of Thai Airways International Pcl. • Chairman of the Board, Royal Orchid Sheraton • Chairman of the Board, Airport Hotel • Advisor of Dean, Faculty of Science, Mahidol University • Vice Chairman, Stang Holding Co., Ltd. • Director, International Drug Development Co., Ltd.
Other Current Positions	
- Listed Company	• None
- Non Listed Company	• Chairman, Flying Orange Co., Ltd. Ltd.
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	• None
Meeting Attendance in 2017	
- The Board of Director's meetings	• 5/5
- Audit Committee's meeting	• 9/9
- Nomination and Compensation Committee's meeting	• 2/3

Information regarding to appointed

The relationship in the Company, Subsidiary, Associated Company or other Independent director conflicted business entity in present of during the past 2 years

- Not being a director who takes part in the management of the Company, employee, staff member, or advisor receiving a regular salary
- Not being a professional service provider (i.e. auditor or legal advisory)
- Not having business relationship significantly in a way that may impact the performing task independently (i.e. buy – sell materials/ products/ service or financial support)

DR. CHARNVITAYA SUVARNAPUNYA (Age 65 Years)

- Independent Director
- Chairman of Nomination and Compensation Committee
- Member of Audit Committee

Date of being a director of the company : 27 April 2005

% Shareholding in the Company : None

Education	<ul style="list-style-type: none"> • Honorary Doctor of Private Law, Ghent University, France • Diploma in American Laws, Wisconsin University, USA • Bachelor degree of Law, Thammasat University
Completed Program from Thai Institute of Directors (IOD)	• 2005, Audit Committee Program (ACP), Director Accreditation Program (DAP)
Experience	<ul style="list-style-type: none"> • Director and Lawyer, Koodare Brothers Co., Ltd. • Lawyer, Dr. Ukrit Mongkolnavin Law Office • Dean of faculty of Law, Thai Chamber of Commerce University • Director of Master of Laws Program, Sripatum University (Phayathai branch)
Other Current Positions	
- Listed Company	• None
- Non Listed Company	<ul style="list-style-type: none"> • Director, DLA Piper (Thailand) Co., Ltd. • Director, Fragrant Property Ltd.
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	• None
Meeting Attendance in 2017	
- The Board of Director's meetings	• 5/5
- Audit Committee's meeting	• 9/9
- Nomination and Compensation Committee's meeting	• 3/3

Information regarding to appointed

The relationship in the Company, Subsidiary, Associated Company or other Independent director conflicted business entity in present of during the past 2 years

- Not being a director who takes part in the management of the Company, employee, staff member, or advisor receiving a regular salary
- Not being a professional service provider (i.e. auditor or legal advisory)
- Not having business relationship significantly in a way that may impact the performing task independently (i.e. buy – sell materials/ products/ service or financial support)

DIRECTOR BIOGRAPHY (continued)

MR. VICHIEEN TEJAPAIBUL (Age 78 Years)

- Independent Director
- Member of Audit Committee
- Member of Nomination and Compensation Committee

Date of being a director of the company : 12 December 1993

% Shareholding in the Company : None

Education	<ul style="list-style-type: none"> • B.A. (Business Administration), Boston University, USA • National Defense College, The Joint State - Private Sectors Course, Class 2 • King Prajadhipok's Institute, Class 1 • Diploma in Capital Market Academy, Class 10
Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> • 2006, Finance for Non-Finance Directors (FND) • 2004, Director Accreditation Program (DAP)
Experience	<ul style="list-style-type: none"> • Vice Chairman, Srinakorn Bank Ltd. • Managing Director, Srinakorn Bank Ltd. • Senator • Advisor, Thailand Trade Representative (Dr. kantathi suphamongkhon) • Advisor, Chairman of Senator (General Teeradej Meepien) • Chairman, Funding Management Committee of Huachiew Chalermprakiet University • Vice president, Huachiew Chalermprakiet University Council
Other Current Positions	
- Listed Company	<ul style="list-style-type: none"> • Director, Asia Fiber Plc.
- Non Listed Company	<ul style="list-style-type: none"> • Chairman, Phatra Sathit Co. Ltd. • Chairman, Pacific Park Sriracha Group Co., Ltd. • Director, Tejapaibul Co., Ltd. • Director, Utah Capital Co., Ltd. • Director, Worawat Co., Ltd. • Director, Sedthakarn Co., Ltd. • Director, Pracha Nu Khro Co., Ltd. • Honorary Chairman, Thai Chamber of Commerce and Council of Thailand Chambers • Honorary Advisor, Thai Chamber of Commerce University • Vice Chairman, Poh Teck Tung Foundation • Chairman, Thian Fah Foundation Hospital
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> • None
Meeting Attendance in 2017	
- The Board of Director's meetings	• 5/5
- Audit Committee's meeting	• 9/9
- Nomination and Compensation Committee's meeting	• 2/3

Information regarding to appointed

The relationship in the Company, Subsidiary, Associated Company or other Independent director conflicted business entity in present of during the past 2 years

- Not being a director who takes part in the management of the Company, employee, staff member, or advisor receiving a regular salary
- Not being a professional service provider (i.e. auditor or legal advisory)
- Not having business relationship significantly in a way that may impact the performing task independently (i.e. buy – sell materials/ products/ service or financial support)

MR. GERD KURT STEEB (Age 75 Years)

- Independent Director

Date of being a director of the company : 14 November 2014

% Shareholding in the Company : None

Education	<ul style="list-style-type: none"> • Hotel and Catering School Bad Ueberkingen, Germany • Senior Hotel Management Institute Heidelberg, Germany • Diploma/Bachelor of Business Administration (equivalent) • Vice President Students Organisation
Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> • None
Experience	<ul style="list-style-type: none"> • President and Director of Centara Hotel & Resorts • Managing Director of Centara Hotel & Resorts • Executive Vice President of Centara Hotel & Resorts • Vice President – Operations of Centara Hotel & Resorts • General manager of ACCOR Group • General manager and Regional Manager of ACCOR Group
Other Current Positions	
- Listed Company	<ul style="list-style-type: none"> • None
- Non Listed Company	<ul style="list-style-type: none"> • None
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> • None
Meeting Attendance in 2017	
- The Board of Director's meetings	• 5/5

Information regarding to appointed

The relationship in the Company, Subsidiary, Associated Company or other Independent director conflicted business entity in present of during the past 2 years

- Not being a director who takes part in the management of the Company, employee, staff member, or advisor receiving a regular salary
- Not being a professional service provider (i.e. auditor or legal advisory)
- Not having business relationship significantly in a way that may impact the performing task independently (i.e. buy – sell materials/ products/ service or financial support)

DIRECTOR BIOGRAPHY (continued)

MR. SUDHITHAM CHIRATHIVAT (Age 70 Years)

- Director
- Member of Nomination and Compensation Committee
- Member of Risk Management and Corporate Governance Committee

Date of being a director of the company : 24 April 2003

% Shareholding in the Company :

16,016,654 shares (or 1.19 % of paid up shares)

Education	<ul style="list-style-type: none"> • MBA (Operations Research), Lona University, USA • Bachelor degree of Electrical Engineering, University of Maryland (College Park), USA • National Defense College, The Joint State - Private Sectors Course, Class 13
Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> • 2003, Director Certification Program (DCP)
Experience	<ul style="list-style-type: none"> • Director, The Thai Chamber of Commerce • President, Rotary Club Bangkok • Chairman, Coffee Partners Co., Ltd. (Starbucks-Thailand) • President and Founder, Thai Shopping Center Association • Managing Director and Chief Executive Officer, Central Pattana Plc. • Advisory, The Ministry of Commerce
Other Current Positions	
- Listed Company	<ul style="list-style-type: none"> • Director, Central Pattana Plc. • Director, Robinson Department Store Plc. • Chairman, Jasmine International Plc.
- Non Listed Company	<ul style="list-style-type: none"> • Executive Chairman, Central Group of Companies Co., Ltd. • Chairman, Central Holding Co., Ltd. • Director, The Vintage Club Co., Ltd.
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> • None
Meeting Attendance in 2017	
- The Board of Director's meetings	<ul style="list-style-type: none"> • 4/5
- Nomination and Compensation Committee's meeting	<ul style="list-style-type: none"> • 3/3
- Risk Management and Corporate Governance's meeting	<ul style="list-style-type: none"> • 4/4

MR. PRIN CHIRATHIVAT (Age 55 Years)

- Director
- Member of Nomination and Compensation Committee
- Member of Risk Management and Corporate Governance Committee

Date of being a director of the company : 29 April 1994

% Shareholding in the Company :

29,263,374 shares (or 2.17% of paid up shares)

Education	<ul style="list-style-type: none"> • MBA (Business Management) Sasin Graduate Institute of Business Administration, Chulalongkorn University • B.A. (Accounting) Skidmore College, USA • National Defense College, The Joint State - Private Sectors Course, class 22 • 2004, Diploma in Capital Market Academy, Class 1 • Institute of Security Psychology, Class 73 • Advanced Certificate Course in Public Economics Management for Executives (King Prajadhipok's Institute), Class 4
Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> • 2010, Advanced Audit Committee Program • 2009, Monitoring Fraud Risk Management (MFM), Monitoring of Quality of Financial Reporting (MFR) • 2008, The Program of Senior Executive on Justice Administration (Class 13) • 2007, Monitoring the Internal Audit Function (MIA) Monitoring the System of Internal Control and Risk Management (MIR) • 2006, Chief Financial Officer • 2005, Director Accreditation Program (DAP), Audit Committee Program (ACP), The Role of Chairman (RCP) • 2000, Director Certification Program (DCP)
Experience	<ul style="list-style-type: none"> • Chairman of Audit Committee, Bualuang Securities Plc. • Advisor, Market For Alternative Investment (MAI) • Director, Malee Sam Pran Plc. • Director, Thanamitr Factoring Plc. • Director, Indra Insurance Plc. • Executive director, Interlife John Hancock Life Insurance Plc. • Director, General Guard Service Co., Ltd. • Executive director, Central Department Store Co., Ltd. • Investment Banking, Thanachart Securities Plc.
Other Current Positions	
- Listed Company	<ul style="list-style-type: none"> • Member of Audit Committee, Bumrungrad Hospital Plc. • Director, Member of Risk Management Committee and Advisory of Nomination and Remuneration Committee, Central Pattana Plc. • Director, Robinson Department Store Plc.
- Non Listed Company	<ul style="list-style-type: none"> • Director, Member of Executive Committee, Deputy Group CEO, Central Group of Companies Co., Ltd. • Director and Executive Director, Central Retail Corporation Ltd. • Steering Support Committee, Chiangrai Rajabhat University • Director, The Thai Chamber of Commerce
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<ul style="list-style-type: none"> • None
Meeting Attendance in 2017	
- The Board of Director's meetings	<ul style="list-style-type: none"> • 5/5
- Nomination and Compensation Committee's meeting	<ul style="list-style-type: none"> • 3/3
- Risk Management and Corporate Governance's meeting	<ul style="list-style-type: none"> • 4/4

DIRECTOR BIOGRAPHY (continued)

MR. SUDHISAK CHIRATHIVAT (Age 72 Years)• **Director****Date of being a director of the company : 24 April 2003****% Shareholding in the Company :****22,055,095 shares (or 1.63% of paid up shares)**

Education	• B.A. (Mathematic), St. John Fisher College, USA
Completed Program from Thai Institute of Directors (IOD)	• 2007, Director Accreditation Program (DAP), Director Certification Program (DCP)
Experience	• President, Central Marketing Group Co., Ltd. • Managing Director, Central Garment Factory Co., Ltd. • Managing Director, Prin Inter Trade Co., Ltd.
Other Current Positions	
- Listed Company	• Chairman, Robinson Department Store Plc. • Director, Central Pattana Plc.
- Non Listed Company	• Director, Central Group of Companies Co., Ltd. • Director, Central Garment Factory Co., Ltd. • Director, Ploen Ruedee Co., Ltd. • Director, Central Trading Co., Ltd.
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	• None
Meeting Attendance in 2017	
- The Board of Director's meetings	• 5/5

MR. THIRAYUTH CHIRATHIVAT (Age 52 Years)• **Member of Risk Management and Corporate Governance Committee**• **Chief Executive Officer****Date of being a director of the company : 2 April 2012****% Shareholding in the Company :****16,725,000 shares (or 1.24% of paid up shares)**

Education	• Master degree of Food, Hotel and Tourism Management, Rochester Institute of Technology, Rochester, USA • Bachelor degree of Political Science, Chulalongkorn University • 2016, National Defense College, The Joint State - Private Sectors Course (Class 58) • 2011, The Program of Senior Executive on Justice Administration (Class 15) • 2008, TLCA Executive Development Program (Class 1) • 2003, Program for Management Development, Executive Education Harvard Business School • 1997, Finance for Management, Chulalongkorn University • 1996, Mini MBA Program, Chulalongkorn University • 1993, Psychology Institute, National Defense College
Completed Program from Thai Institute of Directors (IOD)	• 2002, Directors Certification of Program (DCP)
Experience	• Senior Vice President - Project Management • Vice President - Project Management • Director of Project Management and Procurement • Promotion & New project Manager • Food and Beverage Coordinator, Centara Hotels & Resorts • Assistant Manager, Marriott Hotel & Resort, Park Ridge, NJ, USA
Other Current Positions	
- Listed Company	• None
- Non Listed Company	• Director of Subsidiary Companies
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	• None
Meeting Attendance in 2017	
- The Board of Director's meetings	• 5/5
- Risk Management and Corporate Governance's meeting	• 3/4

LIST OF SHAREHOLDERS

THE MAJORITY OF SHAREHOLDERS

The top 10 of majority shareholders as of 30 December 2017, as follows

Shareholder	Number of Shares	%
1. Tiang Chirathivat Co.,Ltd	67,523,190	5.00
2. Thai NVDR Company Limited	57,962,711	4.29
3. Mr. Niti Ostanukrau	36,129,511	2.68
4. Mr. Suthikiati Chirathivat	31,070,141	2.30
5. Mr. Prin Chirathivat	29,263,374	2.17
6. Mr. Tos Chirathivat	28,976,874	2.15
7. Deutsche Bank AG Singapore PWM **	22,963,360	1.70
8. THE BANK OF NEW YORK MELLON **	22,625,241	1.68
9. Mr. Pichai Chirathivat	21,596,787	1.60
10. Mrs. Rattana Norapallop	19,801,558	1.47

Note : The Chirathivat Group holds a total of 62.7% of the paid-up share capital of CENTEL

* The top 10 shareholders are ranked by Thailand Securities Depository Co., Ltd.

** The Share Registrar is not able to give details of the names of Shareholders; however these nominee accounts do not have any influence over the Company's strategies or operational management.

DIVIDEND PAYMENT POLICY

Dividend payment policy of the Company and its subsidiaries are not less than 60 % of net profit unless the company has the business expansion.

LIST OF SHAREHOLDERS (continued)

DIRECTORS AND EXECUTIVES HOLDING CENTEL SHARES

Directors and executives holding CENTEL shares in 2017, are as follows:

No.	Name	Position	No. of shares As at January 1, 2017			Change in No. of shares ⁽¹⁾ Increased / (Decreased) during 2017			No. of shares As at December 30, 2017			Shareholding (%) As at December 30, 2017
			Direct	Indirect ⁽²⁾	Total	Direct	Indirect ⁽²⁾	Total	Direct	Indirect ⁽²⁾	Total	
1	Mr. Suthikiati Chirathivat	Chairman of The Board	31,995,176	-	31,995,176	(925,035)	-	(925,035)	31,070,141	-	31,070,141	2.30
2	Mr. Suthichai Chirathivat	Vice Chairman	2,278,073	15,546,400	17,824,473	-	-	-	2,278,073	15,546,400	17,824,473	1.32
3	Mr. Bhisit Kuslasayanon	Independent Director Chairman of Audit Committee Member of Nomination and Compensation Committee	-	-	-	-	-	-	-	-	-	-
4	Dr. Chanvitaya Suvarnapunya	Independent Director Chairman of Nomination and Compensation Committee Member of Audit Committee	-	-	-	-	-	-	-	-	-	-
5	Mr. Vichien Tejapaibul	Independent Director Member of Audit Committee Member of Nomination and Compensation Committee	-	-	-	-	-	-	-	-	-	-
6	Mr. Gerd Kurt Steeb	Independent Director	-	-	-	-	-	-	-	-	-	-
7	Mr. Sudhisak Chirathivat	Director	16,205,095	5,850,000	22,055,095	-	-	-	16,205,095	5,850,000	22,055,095	1.63
8	Mr. Sudhitham Chirathivat	Director Member of Nomination and Compensation Committee Member of Risk Management and Corporate Governance Committee	16,016,654	-	16,016,654	-	-	-	16,016,654	-	16,016,654	1.19
9	Mr. Prin Chirathivat	Director Member of Nomination and Compensation Committee Member of Risk Management and Corporate Governance Committee	29,263,374	-	29,263,374	-	-	-	29,263,374	-	29,263,374	2.17
10	Mr. Thirayuth Chirathivat	Chief Executive Officer Member of Risk Management and Corporate Governance Committee	16,725,000	-	16,725,000	-	-	-	16,725,000	-	16,725,000	1.24
11	Mrs. Supatra Chirathivat	Senior Vice President - Corporate Affairs & Social	2,436,376	-	2,436,376	-	-	-	2,436,376	-	2,436,376	0.18
12	Mr. Ronnachit Mahattanapreut	Senior Vice President - Finance & Administration / Secretary	158,831	-	158,831	(831)	-	(831)	158,000	-	158,000	0.01
13	Mr. Thirakiati Chirathivat	Vice President - Procurement	16,991,000	-	16,991,000	(70,000)	-	(70,000)	16,921,000	-	16,921,000	1.25
14	Mr. David Robert Good	Vice President - Operations	-	-	-	-	-	-	-	-	-	-
15	Mr. Thomas Thrussell	Vice President - Brand, Marketing & Digital	-	-	-	-	-	-	-	-	-	-
16	Mr. Adrian Hardwick Jones	Vice President - Design & Technical Service	-	-	-	-	-	-	-	-	-	-
17	Mr. Paul Wilson	Vice President - Sales	-	-	-	-	-	-	-	-	-	-

Remarks: (1) The acquisition and disposition of securities were disclosed under an quarterly report on shareholding of directors and executive officers (Form 59-2).

(2) Securities held by a spouse and / or children under the legal age of directors or executive officers

REMUNERATION OF THE DIRECTORS AND MANAGEMENT

Central Plaza Hotel Public Company Limited specifies policy for fair and reasonable remuneration of directors, which has been considered by The Nomination and Compensation Committee. The Committee takes into consideration of role and responsibilities, the Company's performance and be comparable to the same or related type of business which is compatible with the Company. The budget for the year 2017 was not exceeding amount of Baht 8,000,000, was approved by the Annual General Meeting of Shareholders, as follows:

MONETARY REMUNERATION

Type of Remuneration	Amount (Baht)
1. Quarterly Retainer (Baht/Quarter)	
- Chairman	100,000
- Chairman of Audit Committee	70,000
- Director	60,000
2. Meeting Fee for Board of Directors (Baht/Meeting)	
- Chairman	35,000
- Director	30,000
3. Meeting Fee for Executive Director (Baht/Meeting)	
- Chairman	35,000
- Director	30,000
4. Meeting Fee for Audit Committee (Baht/Meeting)	
- Chairman of Audit Committee	40,000
- Member of Audit Committee	30,000
5. Meeting Fee for Nomination and Compensation Committee (Baht/Meeting)	
- Chairman of Nomination and Compensation Committee	35,000
- Member of Nomination and Compensation Committee	30,000
6. Meeting Fee for Risk Management and Corporate Governance Committee (Baht/Meeting)	
- Chairman of Risk Management and Corporate Governance Committee	35,000
- Member of Risk Management and Corporate Governance Committee	30,000

Total remuneration of directors in form of director fees and meeting fees paid by Central Plaza Hotel Public Company Limited was amount of Baht 5,218,000. The details of the meeting attendance and remuneration in 2017 as follows:

Name	Position	Meeting Attendance (Meeting)				Total Remuneration (Baht/annum.)
		Board of Director	Audit Committee	Nomination and Compensation Committee	Risk Management and Corporate Governance Committee	
Mr. Suthikiati Chirathivat	Chairman of The Board	5/5				526,700
Mr. Suthichai Chirathivat	Vice Chairman	5/5				368,800
Mr. Bhisit Kuslasayanon	Independent Director	5/5				398,800
	Chairman of Audit Committee		9/9			326,700
	Member of Nomination and Compensation Committee			2/3		60,000
Mr. Chanvitaya Suvarnapunya	Independent Director	5/5				368,800
	Chairman of Nomination and Compensation Committee			3/3		96,300
	Member of Audit Committee		9/9			258,900
Mr. Vichien Tejapaibul	Independent Director	5/5				368,800
	Member of Audit Committee		9/9			258,900
	Member of Nomination and Compensation Committee			2/3		51,000
Mr. Gerd Kurt Steeb	Independent Director	5/5				368,800
Mr. Sudhitham Chirathivat	Director	4/5				338,800
	Member of Nomination and Compensation Committee			3/3		81,000
	Member of Risk Management and Corporate Governance Committee				4/4	111,000
Mr. Prin Chirathivat	Director	5/5				368,800
	Member of Nomination and Compensation Committee			3/3		81,000
	Member of Risk Management and Corporate Governance Committee				4/4	111,000
Mr. Suthichart Chirathivat ^{/1}	Director	0/5				-
Mr. Pornchai Chunhachinda ^{/2}	Independent Director	1/5				30,000
	Member of Audit Committee		2/9			60,000
Mr. Sudhisak Chirathivat	Director	5/5				368,800
Mr. Thirayuth Chirathivat	Chief Executive Officer	5/5				224,000
	Member of Risk Management and Corporate Governance Committee				3/4	81,000
Total						5,308,000

^{/1} Mr. Suthichart Chirathivat resigned from Director effective from 12 May 2017 and the Board of Directors appointed Mr. Pornchai Chunhachinda to replace this position effective from 9 August 2017.

^{/2} Mr. Pornchai Chunhachinda resigned from Director effective from 31 October 2017.

MANAGEMENT REMUNERATION:

The remunerations amount of Baht 69,506,802 was paid to 8 managements in term of salaries, bonus and other benefits.

OTHER REMUNERATIONS

(a) Meal allowance

The company provides meal allowance's restaurant to Board of Director the amount of Baht 80,000. In 2017, The Board of Director consumed at the actual amount of Baht 308,206.

(b) Provident Fund

The Company automatically provides "Provident Fund" to all Thai employees who completed 6 months period of working. By this mean, the Company will deduct from the employee's payroll and the company contributes to the Fund at the same amount.

AUDITOR’S FEE

Audit fee of the Company and its subsidiaries had been paid for audit firm that the auditor work for, person or companies who related to the auditor and audit firm shows the following detail:

	2016	2017
AUDIT FEE	7,892,000	8,768,000
NON-AUDIT FEE	- 0 -	- 0 -

GOOD CORPORATE GOVERNANCE

The Board of Directors of the Central Plaza Hotel pcl. is fully committed to manage the orgainsation through adherence to the principles of good corporate governance, and fully recognises the importance of good corporate governance practices in enhancing the organisation's potential competitiveness - for both the immediate and longer tem. Additionally, such practices will create further trust and confidence on the part of investors, financial instiutions, business partners, and all our Stakeholders.

In operating a business that will grow and develop towards achieving economic added value for the Shareholders as well as a balance of benefits to be gained by all Stakeholders and the Company, the Board of Directors have determined core management policies and business practices to be implemented in the operations of the businesses; whereby these core policies and practices are based upon the principles of good corporate governance, full transparency, accountability to all Stakeholders and responsibility towards society. These core policies and business practices will serve as guidelines for Directors, Management, and all Employees of the Company; whereby the Board of Directors have regularly reviewed and updated such policies and practices, so that they are always timely and relevant to the current business environment.

POLICIES ON GOOD COPORATE GOVERNANCE :

The Board of Directors, Management and all Employees have been made aware of the the required business ethics and abovementioned policies on good governance, so that they can adopt them as part of their working disciplines; whereby the Company has communicated to everyone in the organisation the need to adhere to these ethical and good governance practices through the Company's website (<http://www.centarahotelsresorts.com>), within the orientation programme for all new employees, as well as via internal PR posters.

The core policies and practices relating to the principles of good corporate governance comprises of 5 key components as follows :

1. Rights of Shareholders

The Company recogises the principles of and places great importance to protecting the rights of all Shareholders, ie:

- Support and ensure that every Shareholders - whether they are majority Shareholders, minority Shareholders, institutional investors or foreign shareholders alike – receive the same basic rights, and are all treated in an equal manner.

Not act in any way that will violate or deprive Shareholders of their entitled rights. This includes limiting any opportunity for Shareholders to receive any relevant information and communications regarding the Company, or to attend Shareholders Meetings; ie: the right to be registered as a Shareholder of the Company; the right to exchange or transfer the ownership of those shares owned by the Shareholder; the right to receive relevant and accurate information and news, of any significance, relating to the Company on a regular basis and in a sufficient manner; the right to attend Shareholders Meetings of the Company; the right to appoint or dismiss, and to approve the remuneration of, Directors of the Company; the right to appoint external Auditors of the Company; the right to receive a share of the Company's profits or dividend payments; and the right to participate in the decision making process on, or to be informed about, any important changes to basic operational factors of the Company.

- Inform and communicate details regarding the exercise of any Shareholders rights via the SET's news network or through the Company's website, taking into consideration the right of Shareholders to be informed on an equal basis and ensuring not to act in any way as to restricting full access to any information or news about the Company.

GOOD CORPORATE GOVERNANCE

(continued)

Prior to the Shareholders Meeting :

1. Prior to the scheduled Meeting date and in accordance with the regulations defined by the Company, minority Shareholders are able to submit topics to be proposed as agenda items for consideration during the Shareholders Meetings, as well as to submit names of those with the required qualifications to be considered as possible nominees for appointment as Directors of the Company.
2. Send out Letters of Notification to attend Shareholders Meetings together with the proposed agenda items and supporting documents containing relevant and concise important information, the opinions of the Board of Directors relating to the proposed agenda items to be considered, procedures for the Meeting, and a map indicating the location of the Meeting venue – both in Thai and English.
3. Communicate and post on the Company's website (www.centarahotelsresorts.com) as well as through the SET news network, details regarding the abovementioned Letters of Notification to attend the Shareholders Meeting together with the various supporting information, at least 30 days prior to the scheduled Meeting date.
4. Insert copies of the Letters of Notification to attend the Shareholders Meeting, together with the various supporting information, in the local press at least 7 days prior to the scheduled Meeting date, in order to enable Shareholders to have sufficient time to review the information relating to the consideration of the various proposed agenda items.
5. Shareholders can also submit, in advance to the Company Secretary, any questions regarding the proposed agenda items to be considered.

The day of the Shareholders Meeting

6. Determine the date, time and venue of the Shareholders Meeting, keeping in mind the convenience of the Shareholders in attending the Meeting.
7. Make use of appropriate technology for the Shareholders Meeting, in regards to the attendees registration process and counting of votes, so that the Meeting can be conducted efficiently and quickly as well as in a proper and accurate manner.
8. All the Chairmen of the various Board Committees will be present during the course of the Shareholders Meeting, in order to respond to any questions or comments from Shareholders regarding their respective areas of responsibilities; whereby the Chairman of the Meeting will give an opportunity for all Shareholders, on an equal basis, to review their activities, and to ask questions or make any comments.
9. The Company's Directors, senior Management and the external Auditor will also attend the Shareholders Meeting, to give Shareholders the opportunity to ask questions and make any comments, as well as to request members of senior Management or the external Auditors to clarify any points relevant to the agenda item being considered.
10. Prior to the start of the Meeting, inform Shareholders, in a clear and concise manner, about the procedures to be used in conducting the Meeting as well in exercising and counting their votes; and arrange that, for those agenda items involving multiple decisions, voting should be done separately for each respective decision accordingly.

11. In voting for the appointment of new Company Directors, Shareholders will have the opportunity to exercise their votes for each respective nominee separately and on an individual basis, with Shareholders being encouraged to make use of the voting slips supplied in casting their votes for each agenda item.
12. The Company allows Shareholders to join the Shareholders Meeting after it has started; whereby they have the right to exercise their votes only for those agenda items not yet considered and voted upon as at that point.
13. Those Shareholders not able to attend the Shareholders Meeting in person can exercise their votes by giving a power of attorney to an Independent Director or any other person considered as appropriate by them to attend the Meeting and vote on their behalf.
14. Ensure that the Company arranges to have an independent person be present at the Ordinary or Extraordinary Shareholders Meetings, in order to check and count the votes casted at these Meetings, and to announce the total vote counts in a clear and concise manner, which vote counts are to be recorded in the Minutes of the Meeting.
15. During the Meeting, no additional agenda items should be made to those already proposed and indicated in the Letter of Notification to attend the Shareholders Meeting; or any changes to any important information should be allowed – without informing all Shareholders sufficiently in advance prior to the Meeting.

After the Shareholders Meeting

16. Disclose to the general public, on the next working day, the resolutions of the Shareholders Meeting, together with the respective vote counts, for each agenda item - via the SET news network and the Company's website.
17. Distribute the VDO recording of the Shareholders Meeting via the Company's website.
18. Arrange to have the Minutes of the Shareholders Meeting (that summarises all the key discussions points, the questions submitted, the comments and clarifications made, and the vote exercising and counting process announced at the start of the meeting, together with names of those Directors attending or requesting a leave of absence from the Meeting) be completed and submitted to the SET as well as posted on the Company's website within 14 days after the date of the Meeting.

GOOD CORPORATE GOVERNANCE

(continued)

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company places great importance in each and every Shareholder, regardless of sex, age, skin colour or race, nationality, religion, beliefs and opinions, or political convictions; whereby every Shareholder – both majority or minority Shareholders – are to be treated both on an equal basis and in an equitable manner, without showing any bias towards one group over another through disclosing to any one group information that is not yet disclosed to the other or made public.

To protect and ensure that the basic rights are afforded to all Shareholders in a fair manner and on an equal basis, the Company has these core governance policies:

1. Treatment of all Stakeholder Groups

- The Board of Directors oversees and has defined these policies in regards to the sale/purchase of the shares of the Company as well as to the use of inside information, in order to ensure that all Shareholders are treated in a fair manner and on an equal basis, and to prevent Directors or any involved members of Management from purchasing shares of the Company in an illegal manner for their personal gain or for the benefit of others.

1.1 Ownership of the shares of the Company

- Those holding the position as a Director and a member of Management are required to file a report of their ownership of Company shares to the SEC, at the start of their term of office and also within 3 working days every time they make any purchase/sale of the shares of the Company; whereby all Directors and members of Management also have the responsibility to regularly disclose such equity holdings to the Board of Directors as required by the applicable laws and regulations, and such disclosed information must also be included in the Company's Annual Report.
- In the event that Directors, members of Management and Staff (including their spouses and children not yet of legal age) purchase or sell or transfer ownership of any shares of the Company, they must submit a report and disclose any transactions, relating to any changes in the ownership of the shares of the Company, to the regulatory organisation as required by the applicable laws and regulations.
- In order to prevent any occurrence of situations involving a possible conflict of interests, all Directors, members of Management and Staff (including their spouses and children not yet of legal age) are prohibited from purchasing or selling or transferring ownership of the shares of the Company during a 1 month-period prior to the respective release and disclosure of the Financial Statements of the Company.

1.2 Control Use of Inside Information

- The internal use and communication of any inside confidential information within the organisation for work purposes must be based only on the approved specific requirements of the assigned duties and responsibilities of those persons involved; whereby any other staff, not approved to do so or not directly involved with their work, are prohibited from communicating or disclose confidential Company-related or business information to others on a personal basis.
- Directors, members of Management and all staff are prohibited from making use of any inside information of any significant importance that have not yet been disclosed to the general public for personal gain or for the benefit of others; and are required to strictly observe the established Company regulations relating to both the safe-keeping and use of such information.
- Specific written guidelines and regulations have been established, as well as informed to everyone in the organisation, in regards to the safe-keeping and prevention of the use of inside information; whereby such regulations are required to be strictly observed.

2. Oversight of Conflicts of Interests

The Company has as a core policy to operate its business in an honest, open and equitable manner as well as with integrity and full transparency, through requiring that all Directors, members of Management and Staff to strictly observe and adhere to these regulations:

- Not allowed to undertake or be involved any business that is in direct competition with that of the Company. Avoid undertaking any connected transactions in which they are directly involved or that is related to other individuals/legal entities that may then result in a possible conflict of interests with the Company.
- The Board of Directors is responsible for overseeing and ensuring that the Company operates its business strictly according to required procedures relating to undertaking connected transactions and associated information disclosures, and in full compliance with the relevant applicable laws and regulations by the regulatory organisations.
- In the event that any connected transactions need to be undertaken, it must be based on the applicable normal business conditions, as well as be in accordance with the established and approved conditions of the Board of Directors, and in a transparent and equitable manner as if the transaction is made with an outside party, keeping in mind the best interests of the Company.
- Directors are not allowed to participate in the consideration and approval of a proposed transaction in which they have a conflict of interests.
- In the event that a proposed connected transaction is not in accordance with the established and approved conditions of the Board of Directors and which will result in a conflict of interest, then it must be reviewed and concurred to by the Audit Committee before being submitted for consideration and approval by the Board of Directors and/or the Shareholders Meeting (as applicable).

GOOD CORPORATE GOVERNANCE (continued)

3. ROLE OF STAKEHOLDERS

The Company has defined its policies relating to corporate social responsibility, especially with regards to matters that will have an adverse impact on the Company's business operations, so that all persons involved and all Stakeholders can feel confident that the business activities of the Company always takes into consideration any factors involving the development of both the environment and society as a whole.

As such, the Company has determined a set of regulations to be observed, as shown below, in regards to the required code of ethics and business conduct of the Board of Directors, the Management group and all Staff, so that all those involved can use them as a guideline for carrying out the business-related duties and activities, that involve the Company and all Stakeholders, in an honest and equitable manner; whereby the Company has placed great importance on all Stakeholder groups.

- **Shareholders** : The Company is committed to being a good representative of its Shareholders, in growing a business organisation in a stable manner, as well as in increasing the overall economic value added on a sustainable basis, together with disclosing any relevant information to its Shareholders in an accurate and transparent manner. Additionally, the Company encourages and supports its Shareholders to exercise their basic Shareholders rights, as well as take note of the various comments, opinions and suggestions related to the operation of the business received from the Shareholders.

- **Staff** : The Company considers its staff to be a valuable resource and a key factor in driving the Company forward and in achieving its success. Thus, the Company is committed to taking good care of and treating its employees in an appropriate and equitable manner in regards to their career opportunities, compensation plans, development of their potential, and their working environment, without taking advantage in the execution of the employment contracts. The Company also ensures that it determines and offers appropriate compensation, training and skills development opportunities, and further education to develop their full potential; as well as that all staff are well looked after.

- **Creditors** : The Company has defined measures and procedures to not infringe on the rights of its creditors; to act in strict accordance with all the requirements and conditions of the loans agreements made with its creditors; and to ensure that all required debt repayments (for both the principal amount and interest due) to creditors are made in full and on time. Moreover, the Company will not act in any unlawful or illegal manner towards all its creditors.

- **Customers and Clients** : The Company is committed to meeting the requirements of, to fully satisfying and taking good care of, and to being accountable to all its customers and clients. The Company also ensures that it provides services in accordance with the established standards, and treat all customer information as being confidential and not to disclose such information without prior approval. The Company has a specific group responsible for receiving and effectively dealing with customer complaints within established guidelines and procedures, so that they are resolved equitably and satisfactorily in a timely manner.

- **Competitors** : The Company operates its business within a positive, open and normal competitive business environment, through maintaining the required normal competitive business practices, and refraining from making use of any illegal or fraudulent means to access any confidential business information about its competitors and from destroying the reputation of its competitors through use of untrue accusations or malicious information.

- **Society, Communities, and the Environment** : The Company is committed to operating its businesses in an ethical and legal manner as well as through full compliance with all the relevant and applicable regulations. The Company is also committed to ensuring that its various business activities in no way causes any harm to the quality of life of society, the communities and the environment; to creating positive relationships and connection with the local communities in which it operates; and to regularly supporting all activities that are beneficial for local communities and the environment.

- **Public/Government Sector** : The Company cooperates with and supports all Government policies and initiatives that are beneficial for the country and conform to the applicable laws and regulations. The Company also agrees with the guidelines and participates in various projects relating to anti-corruption initiatives, as well as fully supports all activities that aim to instill in all staff and employees the need to always act in accordance with all relevant and applicable laws and regulations.

OPERATING POLICIES & PROCEDURES GUIDELINE

1. Policy on Protecting and Use of Inside Information

CENTRAL PLAZA HOTEL Pcl.(CENTEL) is a SET public listed company; and, as such, having a policy relating to the protection and use of any 'inside information' is of critical importance.

The Company's staff must not make use of any confidential 'inside information' relating to the Company, that has not yet been disclosed to the general public, in an improper or illegal manner for the sake of personal gain or that of others. Any disclosures of such important Company information must be done by only those authorised to do so; whereby such authorised disclosures must be done on a uniform and equal basis, as well as in an equitable and fully transparent, manner.

In the event of any rumours occurring that may affect investors' investment decisions, the Company will authorise a specific person to immediately make an announcement as to the associated true facts and accurate information.

GOOD CORPORATE GOVERNANCE

(continued)

2. Policy on Information Security

The Information Technology (IT) systems must be used only for the Company's operations; whereby every staff member must act in accordance with the established policies relating to the security of the IT systems, as well as to the associated, relevant and applicable laws, regulations and requirements.

All staff members are required to use only legal and licensed software programmes or applications; additionally they must not use the internet to search for any contents or information that is illicit, illegal, culturally improper, or in violation of any associated specified laws, regulations and policies.

3. Policy on Internal Controls and Risk Management

The Board of Directors has determined that the Company establishes a system of internal controls that covers all key aspects of the business – such as, financial, operations, and complete compliance to all relevant applicable legal and regulatory requirements.

Additionally, various procedures have been established to audit and monitor as well as to be an system of 'check and balance', so as to always sufficiently and effectively protect, preserve and look after both the Shareholders' investments and assets of the Company.

The Company has also established various levels of approval authority, on the part of the Management and operational staff, together with comprehensively documented working and operating procedures. An Internal Audit Group has also been established, responsible for monitoring all (operational and support) business units, so as to ensure full adherence to the required procedures and guidelines, and for assessing the effectiveness and adequacy of the various internal controls implemented for each respective business unit. As such, the Audit Committee has authorised that the Internal Audit Group to work with full independence, so that it can fully monitor all activities and be an effective 'check and balance'; whereby it is responsible to and submits all reports directly to the Audit Committee on a regular basis as specified.

Furthermore, a policy on risk management has been determined in accordance with the principles of good corporate governance; whereby the Management group is required to understand the various risks factors involved, and then to assess the degree of associated risks – in terms of the potential opportunities and benefits as well as the possible negative impacts for the organisation – so that these risks can be managed to the levels that are acceptable to the Company in a timely manner.

4. Policy on Respecting the Law on Human Rights

The Company fully supports the protection and respects the principle of human rights; as well as respects and treats all Stakeholders in an equitable manner without bias or prejudice in regards to race, religious beliefs, ages, and sex.

5. Policy on Participating in Political Activities

The company has a policy of not participating in or expressing any opinions and its position relating to the political situation. Otherwise, this may create an understanding that the Company is involved with, actively supports, or is biased towards one particular party over the others - thus also creating some disunity, or that the Company is receiving some special privilege in an improper or illegal manner.

6. Policy on Social Responsibility, and Responsibility towards Communities and the Environment

The Company has a policy to create and communicate a positive understanding, within the organization, in regards to its social responsibility as well as its responsibility towards local communities and the environment for the sake of sustainable development.

This also includes implementing effective external public relations and creating positive mindsets relating the such policies and guidelines regarding the Company's social responsibility and its responsibility towards local communities and the environment, in order to gain outside support for the various associated Company activities - such as: taking in students from various colleges universities majoring in hospitality studies for training in Centara hotels and resorts, so as to create unique on-the-job learning opportunities for these students; as well as supporting the development of various integrated local community assistance projects aimed at creating job opportunities and new vocations for their residents, so that they can be more self-sufficient in taking care of themselves and their families.

Additionally, the Company is committed to undertaking all activities in line with the relevant laws and regulations regarding problems for the immediate environment in which the Company operates; as well as to regularly reviewing, monitoring and assessing these situations in order to reduce any impacts on the environment as a result of the Company's business operations.

The Company also undertakes to create greater awareness, on the part of its staff, of their role and responsibilities relating to protecting the quality of the immediate environment and to preserving the available natural resources on a sustainable basis.

GOOD CORPORATE GOVERNANCE (continued)

7. Policy on Energy Conservation

Full adherence to the relevant laws, regulations and other applicable procedures regarding energy conservation and saving within the Company's operations is required; whereby ongoing development of effective and efficient energy savings and management systems as well as regular staff training on the energy usage is undertaken. Further, such policies and activities regarding energy conservation are communicated to the Staff, so as to trigger and create better awareness, by everyone, of the importance of such policies and activities, as well as to promote their full participation in such energy conservation and saving activities.

8. Policy on Safety and Occupational Health

Full adherence to the relevant laws and regulations regarding occupational health and workplace safety is required for the sake of both our staff as well as customers; whereby regular reviews and assessments are made relating to such safety and occupational health aspects - such as, reducing risks of accidents occurring as a result of the staff carrying out their work or of any sickness caused by improper work procedures, so that the findings can be used to make ongoing and effective improvements.

Further, regular and ongoing training sessions are also undertaken, in order to prepare the Staff to effectively deal with any critical situations that may occur at anytime.

9. Policy on Public Relations and Marketing

The Company undertakes all public relations and marketing activities that is clear, comprehensive, timely, equal and equitable, as well as accurate, truthful and without any misrepresentations that may be misleading to consumers.

Further, currently, there are various ways of communicating information – inclusive of the popular social media - regarding social and consumer expectations, therefore, any communications regarding or response to various situations must be fully accurate and immediate. This also includes any interviews given to various media, which must be undertaken willingly and wholeheartedly.

10. Policies Relating to Anti-Corruption Guidelines

CENTEL is still intent on and continues to being fully committed to operate its businesses in a transparent and honest manner, together with strictly complying with all applicable laws and regulations. Apart from having a negative effect on the Company's business operations, reputation and image, corruption is also a major obstacle for the sustainable growth of the Company as well as the ongoing development of the country.

In the capacity of being a part of society as a whole and in the hope that Thailand will be rid of all forms of corruption, the Company, therefore, decided to participate in the Private Sector Collective Coalition Against Corruption (CAC) and has also declared its anti-corruption policy that incorporates the implementation of the following activities:

1. The Company has undertaken an assessment of various risks regarding acts of corruption; and has determined various measures to serve as established regulations aimed at preventing and suppressing corruption, which is an integral part of the established internal controls system.

2. The Company has determined operating guidelines consisting of adequately detailed operating procedures that are in accordance with the anti-corruption policy and capable of preventing any occurrence of corruption within the business operations, which covers such activities as: the giving of charitable donations and corporate sponsorships, the giving or receiving of gifts and acts of hospitality (entertaining), and the giving of political contributions and support.

3. The Company arranged to hold orientation programs and training seminars for its personnel, so as to inform, educate and facilitate a full understanding, on their part, of the established anti-corruption policy together with the associated measures and operating procedures in fighting corruption.

4. The Company has determined an internal controls system, so as to ensure both the effectiveness and efficiency of the established anti-corruption policy that covers the documenting all financial transactions, accounting procedures, together with human resources and other systems relating to the business operations of the Company.

5. The Company has established various safe and secure channels of communications for use by its personnel and all other Stakeholders in being able to seek advice as well as in submitting, in a confidential manner, any requests, suggestions, information/reports or complaints relating to alleged acts of corruption, together with associated measures to protect such informants/complainants.

6. The Company has communicated its established anti-corruption policy both internally and outside the Company, so as to achieve implementation and compliance in a wide circle – such as: disseminating the anti-corruption policy through websites, PR posters and the Company's intranet, as well as through various orientation and training programs for its personnel to enhance their knowledge and full understanding. Letters have also been sent out to our business partners, so that their respective business operations will also be conducted in an honest and transparent manner within the established anti-corruption measures.

Submitting information or complaints under the 'whistle-blower program'

In the event that the various Stakeholders is suspicious of or come across any alleged breach or acts of non-compliance to the established anti-corruption policy as well as the associated measures and operating guidelines relating to preventing corruption and the code of business ethics for Board Directors, Management and Staff of the Company, they have the duty to inform, in a confidential manner, through the following established channels of communications:

• Office of the Secretary of the Audit Committee

Telephone : (02) 769-1234 Extn 6658

Email : whistleblower_centel@chr.co.th

Postal Address The Audit Committee

Central Plaza Hotel Pcl.

999/99 Rama 1 Road, Pathumwan,

Pathumwan; Bangkok 10330

• Office of the Company Secretary

Telephone : (02) 769-1234 Extn 6131

Email : co.secretary_centel@chr.co.th

Postal Address Office of the Company Secretary

Central Plaza Hotel Pcl.

999/99 Rama 1 Road, Pathumwan, Pathumwan;

Bangkok 10330

GOOD CORPORATE GOVERNANCE (continued)

4. INFORMATION DISCLOSURES AND TRANSPARENCY

1. Information Disclosures

The Company places great importance to regular, open, accurate, comprehensive, and timely communications, regardless of the fact that the information being communicated is positive or negative by nature. Thus, the disclosure of information by the Company is in full accordance with the established and applicable information disclosure procedures, regulations and requirements as specified by the SEC and SET.

The processes for the disclosure of both important financial and non-financial information by the Company are as follows:

- Importance is given to the disclosure of both financial and non-financial information that is accurate, and comprehensive, as well as in a transparent and timely manner and with maximum coverage, so that all interested investors and Stakeholders can have regular access to credible and sufficient information to make investment decisions.
- Disclosure of Company-related information and news that will be of value and interest to minority Shareholders, institutional investors, securities analysts and the general public -both in Thailand and overseas - on an equal and equitable basis, as well as through various channels of communications. In order to achieve widespread coverage, such disclosure is done via the Company's website, the SET news network, quarterly reports on the operating performance of the Company and also in the Company's Annual Report.

- Disclosures of important information to the general public includes: The Annual Statement of the Company (Form 56-1); the Company's Annual Report (Form 56-2), financial reports, details of majority Shareholders; Shareholders rights in exercising their votes; details relating to the Company Directors and various Board Committees; required information disclosures to the SET; policy on dividend payments; the Company's report on good corporate governance policies and practices; business ethics and good business conducts in the operations of the Company's business; and various activities undertaken by the Company and its business plans.

2. Persons Responsible for Disclosing Information

- The Chief Executive Officer (CEO), or person assigned by the CEO, is responsible for disclosing Company-related information to the general public, based on the established policies relating to the accuracy, comprehensiveness and timeliness of the information as well as to disclosing information in an equitable manner.
- The Company Secretary is responsible for the required disclosures of information to the SET and the SEC, as well as to Shareholders and investors.
- The member of the Senior Management responsible for financial and investor relations matters is responsible for giving information, as well as for responding to the questions or comments made by Shareholders, investors, securities analysts and the general public that involve financial information, operating performance results, business structure, corporate policies and strategies, business and investment plans, new projects in progress, Shareholders structure, as well as any key factors that may have an impact on the business operations of the Company.

- The member of Senior Management responsible for marketing and public relations matters is responsible for giving information and responding to questions from the press and media and the general public that involve marketing plans and activities of the Company. Additionally, in any major event involving the Company, the PR Group must coordinate with the involved business unit to obtain relevant and accurate information, so that such information can be released, within the specific scope assigned, to the press and media for clarification,
- Those persons not responsible for or assigned by the Chairman of the Company in disclosing information about the Company must not disclose any information which may adversely impact the image and reputation of the Company, as well as any information that may also have an impact on the share price of the Company.

3. External Auditor and preparation of Financial Reports

The company has been audited by external Auditors, who are fully independent and possess the required qualifications, knowledge, expertise and experiences as specified, so that both the Board of Directors and the Shareholders can be confident that the audited Financial Statements of Company's and its Subsidiaries accurately reflect the true financial status and financial performance results.

The Board of Directors places great importance on and is responsible for the Financial Statements of the Company and its Subsidiaries, that are prepared, with all due care and in a comprehensive manner, in accordance with generally accepted accounting principles and standards, as well as are based on appropriate and correct accounting policies, so as to accurately reflect the actual operating results of the Company.

The Board of Directors has arranged for reporting and adequate disclosure of important operating results and financial information of the Company in a transparent manner to the involved parties, as required and on a regular basis; namely : SEC and SET. This is so that the information is of value and interest to all Shareholders and investors.

Additionally, the Board of Directors has established the Audit Committee to be responsible for reviewing the accuracy and creditability of the financial reports. The Audit Committee is also responsible for reviewing and ensuring that the existing system of internal controls is both appropriate and adequate, so that the Board can be confident that the Financial Statements are correct and credible.

4. Important Information

The Company will not disclose or give out important information that has not been made public to members of its staff, who are not authorised to have access to such information, nor to any investors, securities analysts and the press and media till such time as such information has been released to the general public. In the event that any such information, that should not yet have been disclosed, is mistakenly disclosed, then the Company will ensure that the same information is released to the general public immediately and without delay.

The Company's staff is responsible for the secure and safe-keeping of any confidential inside Company-related information, together with confidential information relating to business partners, customers and Shareholders and Stakeholders; whereby he/she is prohibited from disclose and make use for personal gains any such confidential information that is part of carrying out his/her duties, as well as to exercise all due care in giving out such information or express an opinion about such information without being authorised or assigned to do so.

GOOD CORPORATE GOVERNANCE (continued)

INVESTOR RELATIONS (IR)

The Board of Directors is fully aware that both important financial and non-financial information of the Company will have an impact on the decision of investors and Stakeholders; it has therefore ordered that the members of Management must ensure that any required information disclosures must be done in a comprehensive, credible, regular and timely manner; whereby the Management group has always given great importance to this matter and adhered to these requirements.

In regards to Investor Relations activities, the Company has established a special IR unit responsible and has assigned the SVP - Finance and Administration together with the staff of the IR unit to be responsible for contacting institutional investors, Shareholders, securities analysts, as well as any involved Government/Public Sector organisations. Additionally, interested investors can also contact and request relevant information directly from the IR Unit at the following contact number/email – Tel. 66(0) 2769-1234 extn.6640; or e-mail address ir@chr.co.th

During 2017, members of the Company's Senior Management together with the IR Unit undertook various investor relations-related activities as follows:

1. SET Opportunity Day events for listed companies, meeting with interest investors to present the Company's Quarterly operating performance results,
2. Company visits by securities analysts and investors, to meet Senior Management of the Company and the IR Unit as well as to discuss and obtain investors-related information; with these visits being arranged in advance by appointment. (21 companies)
3. Meetings with small groups of securities analysts (4 times)
4. Investor Road Shows – locally and overseas (265 companies)

5. Duties and Responsibilities of the Board of Directors of the Company

Ensuring profit optimization and strict compliance with CENTEL's CG policy, the Board undertakes close supervision of CENTEL's business operation by setting forth its policy, vision, missions, and five-year strategic plans, with an annual review and revision to confirm their compatibility with the prevailing business environment.

The Board's structure

The Board of Directors of the Company comprises of 10 Directors

Executive Directors	1	persons
Non-Executive Directors	5	persons
Independent Directors	4	persons

The Board consists of 4 independent directors out of a total of 10, accounting for more than one-third of the total. A list of independent directors' names and information appears under "Director Biography" on page 188 Fully qualified under CENTEL's standard, independent directors can effectively and efficiently discharge their duties for the full benefit of CENTEL.

To ensure an inclusive supervision of all operational aspects under CG principles, CENTEL has set up four Sub-Committees, one Executive Committee, and one Management Committee, as well as appointing the Company Secretary to help Structure and Composition of the Board of Directors the Board in performing its duties. Relevant details appear under "Corporate and Management Structure" on page 170

Board Committees

The Company has established both the Board of Directors and various Board Committees to assist the Board in overseeing the business operations as follows:

1. **The Audit Committee** : Comprising of 3 Directors who are Independent Directors, whereby Mr. Vichien Tejapaibul is an Independent Director possessing knowledge about accounting and finance.

2. **Nomination and Compensation Committee** Comprising of 5 Directors, responsible for defining the criteria and policies regarding the proposed remuneration, as necessary and appropriate, for the Board of Directors and the various Board Committees as well as members of the Senior Management group, which are submitted to the Board of Directors for review/approval and/or proposing the Shareholders Meeting for final approval (as applicable)

3. **Risks Management and Governance Committee** Comprising of 4 Directors, with the following duties and responsibilities;

3.1 Risks Management

1. Review the policies, strategies and organisation structure relating to the management of risks; and undertake activities to ensure that proposed strategies conform to the established acceptable level of risks (risk appetite) of the Company as well as comply with the requirements of the Stakeholders.
2. Support the activities of the respective Risks Management Committees at the operations level.
3. Monitor and assess the results and adequacy of the overall risks management activities within the organisation.
4. Understand and able to effectively assess any potential risks factors that may adversely affect the achievement of the established objectives of the Company ; and ensure that such risks can be managed to be at the established acceptable level of risks.
5. Proposed recommendations and concur to any proposed risks management measures and activities to be implemented within the organisation.

3.2 Governance

Define and review policies relating to that any proposed policies, practices and procedures conform to the principles of good corporate governance.

Determine policies and activities plans relating to corporate social responsibility.

Meet and monitor the progress of planned good governance activities and social responsibility; make recommendations, as required, to the governance working group and undertake internal assessments so as to make any recommendation for further improvements.

Represent the Company in the dissemination of information – to the Management, Staff and external parties - relating to any Company activities relating to good governance.

GOOD CORPORATE GOVERNANCE
(continued)

SEPARATION OF THE POSITIONS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The Company has determined that the positions of the Chairman of the Board of Directors and the Chief Executive Officer positions are always vested in 2 separate and different persons; whereby there is a clear separation between the reponsibilities in defining policies and monitoring the implementation of established policies and associated performance results from the responsibilities of management and implementation of the established policies.

The Chairman of the Board of Directors has the leadership role in ensuring that the Board of Directors discharges its responsibilities fully independent from any influence of the Management group; in determining agenda items to be considered at Board Meetings that are within the scope of responsibilities of the Board of Directors; as well as in chairing Board Meetings and Shareholders Meetings with the active support of all the Directors of the Board during such meetings.

COMPANY SECRETARY

The Company has assigned that the Company Secretary with the following duties:

1. Prepare and maintain for safe-keeping all documentations relating to the Board of Directors and Shareholders, namely: Directors register, Letters of Notifcations for Board Meetings and Shareholders Meetings; Minutes of Board Meetings and Shareholders Meetings, as well as the Annual Reports and Quarterly Financial Statements of the Company.
2. Maintain reports relating to declarations of vested interests submitted by Directors and members of Management of the Company.
3. Advise Directors on the relevant applicable laws and regulations relating to the required activities and responsibilities of Directors.
4. Undertake other activities as assigned by the Board of Directors

As at 31 December 2017, the Company Secretary is Dr. Ronnachit Mahattanapruet, who is well-experienced and possesses all the required qualifications to be appointed to this position, with details as follows:

Name: Dr. Ronnachit Mahattanapruet
Position: SVP, Finance and Administration and Corporate Secretary
Age: 61 years

Academic and relevant training & development qualifications

- Ph. D Business Administration, Suan Dusit Rajaphat Univeristy
- Masters of Business Administration, Thammasart University
- Bachelor of Accountancy, Thammasart University
- Certificates from courses attended from the Thai IOD

Attended Courses and programmes at the Thai Institute of Directors (IOD) Professional experience

- Director for Finance and Strategic Planning, Prasit Pattana plc.
- Ex-Director of small business credit Insurance
- Ex-Audit Committee of credit insurance.

Other positions

- Activities Promotions Committee Member, Chandrakasem Rajabhat University
- Director of Asia Wealth Securities Co., Ltd.
- Director of Asia Wealth Holding Co., Ltd.

The Board of Directors has defined clear measures for the strict oversight and proper management of any transactions involving situations of possible conflict of interests, through establishing policies and procdures to be used and strictly observed in approving such transactions. The Audit Committee is required to initially review any proposed connected transactions of any significant importance that is beyond the scope of authority of the Executive Committee and to submit its recommendations to the Board of Directors, who will then carefully consider the appropriateness of undertaking such transactions based on the best interests of the Company as a whole.Those Directors having vested interests will not participate in the Meeting and discussions on any such transactions, as well as will not be entitled to vote on the matter.

The Board of Directors has also defined measures and procedures for disclosures of information and declarations by any Directors, members of Management and any other involved parties who have vested interests in any proposed transactions, which disclousres are to be submitted by the 31st of December of every year; whereby the Company Secretary is responsible for collecting such information and submitting a summary report to the Board of Directors accordingly.

GOOD CORPORATE GOVERNANCE
(continued)

TRAINING AND SEMINARS OF THE BOARD

In supporting Board members’ continual knowledge enhancement and the sharing of experience gained from their discharge of duties as a Board and/or sub-committees member, the Company Secretary keeps them informed about upcoming seminars and training courses dedicated to directors, as well as coordinating and facilitating their attendance.

Details of attendance at seminars and participation in directors’ training courses appear under “Director Biography” on page 188

THE BOARD’S SELF-EVALUATION

1. Board’s Self-evaluation Form

• Method

CENTEL Board’s Self-evaluation Form applies SET’s evaluation approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of directors’ performance and related duties. The evaluation form consists of two key components:

Component I The Board evaluates the scores given to the following six aspects of its operation:

- 1) Board structure and qualifications
- 2) The roles, duties, and responsibilities of the Board
- 3) Board meetings
- 4) Board performance
- 5) Relationship with management
- 6) Director’s self-improvement and executive development.

Component II The Board gives its opinions and suggestions or identifies special issues of interest about its performance or different aspects of CENTEL’s operation.

• Procedure

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, prepare a summary report, and submit it to a Board meeting as an agenda item for acknowledgment and discussion. This year the Board also commented on the promotion of CENTEL’s leadership image and corporate governance, including social responsibility programs and anti-corruption practices.

2. Director’s Self-evaluation Form

• Method

Designed to assist each director in reviewing and enhancing his/her performance, this evaluation form fully aligns with the Board’s legal obligation, CENTEL Director’s Charter and Code of Conduct, and the best-practice guidelines of the Securities and Exchange Commission (SEC) and the Stock

Exchange of Thailand (SET), by focusing on:

- 1) Director’s code of conduct and performance
- 2) Strategic formulation, supervision, and monitoring of CENTEL’s operation
- 3) Responsibilities toward stakeholders.

• Procedure

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, prepare a summary report, and submit it to a Board meeting as an agenda item for acknowledgment and discussion.

3. Subcommittee’s Self-evaluation Form

All subcommittees including 1) Audit Committee, 2) Nomination and Remuneration Committee, and 3) Risks Management and Governance Committee must undertake annual selfevaluation, the outcomes of which are applied to boost their input to supporting CENTEL committees’ work and each dimension of its business operation.

Evaluation of the CEO’s performance

• Method

Based on SET’s evaluation approach, the CEO evaluation form consists of two key components:

Component I Evaluation of the 8 following aspects of CEO’s performance:

- 1) Strategic planning
- 2) Leadership
- 3) Financial results
- 4) Management of operations
- 5) Management development and Succession plan
- 6) Human Resources
- 7) Commnications
- 8) Board Relations

Component II CEO development: Under this component, CEO’s strengths are identified, including other aspects that should be further developed, with additional opinions provided by the Board.

• Procedure

The CEO participates in the process of setting his own performance targets and acknowledges the targets approved for the year. At the end of each year, the Company Secretary will distribute a CEO evaluation form to all directors and the CEO for self-evaluation. The completed forms will then be compared, and the information acquired from the comparison will be used for the CEO’s further career development. The Company Secretary will collect all the information and prepare a summary report, which will be submitted to the Nomination and Remuneration Committee and the Board for the consideration of the CEO’s future compensation.

CONNECTED TRANSACTIONS

As of December 31, 2017 the Company and its Subsidiaries undertook various “connected” transactions with related companies and/or other parties who may have potential conflict of interests, whereby these are considered normal commercial transactions and have been approved as “connected transactions” within the normal operational authorization procedures of the Company. Details are as shown on the attached document.

PROCEDURES AND PROCESS IN APPROVING CONNECTED TRANSACTIONS

As a listed company on the Stock Exchange of Thailand (SET) since 1990 (BE 2533), we have always been appreciative and aware of the need for full and transparent disclosure of any information as well as activities regarding any connected transactions. Therefore, at the 130st meeting of the Audit Committee (2/2018) on February 19, 2018 the Audit Committee was informed of all the connected transactions that took place during 2017, where by the Committee reviewed the necessity as well as reasonableness of these transactions and was of the opinion that all such transactions were reasonable and appropriate in every respect.

As for any connected transactions that may take place in the future, the Company has instructed that the Audit Committee undertake a review and approve all such transactions, which must be undertaken only as necessary and with all reasonableness, whereby any payments received from or o related parties must be accordance with standard market practices as well as must be equitable to all parties concerned and fully transparent.

POLICIES AND GUIDELINES FOR UNDERTAKING CONNECTED TRANSACTIONS

The Company has a policy to undertake commercial transactions with related parties who may be a potential conflict of interest that are only part of the normal business activities of the Company, whereby it is required that all such transactions be undertaken within normal accepted business practices and at commercial terms that are no different than those transactions undertaken with outside third parties.

At the Board Meeting (No 4/2003) on November 13, 2003 the Company established specific policies and procedures for the approval of such connected transactions, whereby the must

follow the normal approval process as used for any other business transactions – except that those Directors or Executives who themselves (or who are related to those who) are involved in the transaction being considered for approval must not approve such transactions.

Further, in the event that such the transaction comes up for consideration, full disclosure of their involvement must be made to the Board for review; and such Directors or Executives will have no right to exercise their approval accordingly. The Board must also comply with all the legal requirements of the Securities Laws and the SET as well as with the regulations, announcements and instructions or procedures of SET.

Thus, in undertaking a connected transaction by the Company with a party who may have a potential conflict of interest or who may have some other vested or possible conflict of interest in the future, then the Company requires that the Audit Committee must give its opinion as to the necessity and appropriateness of such transaction. Should the Audit Committee not have the specific expertise in reviewing any such possible connect transaction, then the Audit Committee must get an independent expert or the external auditor of the Company to give their opinion that transaction, which will then be used as part of the decision process (of the Audit Committee or the Shareholders) in approving that connected transaction accordingly.

Further, in disclosing a connected transaction the Company must comply with all the legal requirements of the Securities Laws and the SET as well as with the regulations, announcements and instructions or procedures of the SET together with the required general accounting practices with regards to the disclosure of details concerning any related parties or businesses.

CONNECTED TRANSACTIONS

(continued)

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
1. Thai Business Fund 4				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central World Hotel Co., Ltd. (CGCW), subleased land and buildings relating to the hotels facilities from Thai Business Fund 4 in order to operate its hotel and associated business activities, with CGCW paying the leasehold rights fees in advance as well as annual rental fees payable to the Thai Business Fund throughout the term of the lease.	15.75	15.75	At the AGM 1/2004 considered the matter, with the opinion that the proposed transaction was reasonable and for the best benefit of the Company; whereby the proposed charges are in line with market rates as well as normal terms and conditions.
2. Thai Business Fund 4 has Central Pattana plc. & Subsidiary Companies owning 50% of the total investment Units (or 100% of the Investment Units Type C (owner type); whereby the Chirathivat Group is the majority shareholders in Central Pattana plc.				
	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG) rents retail space within the Central World from the Central World Co. Ltd. for use in its restaurants and retail food services businesses with rental fees paid in advance and the monthly services fees (calculated on a sq.m basis) payable. The rental fees, payable in advance to the Thai Business Fund 4 are based on rental rates that are clearly defined.	21.43	14.60	

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
2. Central Department Store Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Sukhontha Hotel Co.,Ltd. (CSH), has executed a space rental and services agreement with the Central Department Store Co., Ltd. (Hat Yai branch) with a 30 year term; whereby the Central Department Store Co., Ltd. (Hat Yai branch) rents part of the CSH facilities and buildings to operate a shopping complex with CSH receiving both rental and service fees in advance.	33.16	32.59	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transaction is reasonable.
2. Common Directors				
	Central Plaza Hotel plc. and subsidiary companies purchases goods from the Central Department Store Co., Ltd. in providing services to its hotel guests.	0.53	0.81	The opinion that the seller is selling quality goods with the agreed prices being in line with market rates and that the proposed transaction is reasonable.
	Central Plaza Hotel plc. (CGLB) rent space from Central Department Store Co., Ltd. The rental rate are calculated on percentage of service income which is the same rate to others customer The agreement is clearly defined the share of income and agreement term.	1.55	1.53	
	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG) rents retail space within the Central World from the Central Department Store Co. Ltd. for use in its restaurants and retail food services businesses The rate of rental and service charge are calculated on a sq.m basis per month (Or as a percentage of sales) which have a clearly defined rental fees and agreement term.	10.79	11.18	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company.
	The Central Plaza Hotel plc. provides F & B services to the Central Department Store Co., Ltd.	0.39	0.50	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company.

CONNECTED TRANSACTIONS

(continued)

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
3. Tiang Chirathivat Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG) rents retail space in the Central Silom Building from Tiang Chirathivat Co., Ltd. for use as its Head Office.	28.75	30.01	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company
2. Common Directors				
	Central Plaza Hotel plc. and subsidiary companies purchases goods from the Tiang Chirathivat Co., Ltd. in providing services to its hotel guest.	0.03	0.33	
	The Central Plaza Hotel plc. provides laundry services to Tiang Chirathivat Co., Ltd.	0.36	0.00	The Audit Committee reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
4. Central Pattana Plc.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central World Hotel Co., Ltd. rents space and parking facilities in the Office Building, from Central Pattana plc., for use by its clients in holding various meetings and promotional exhibitions events.	51.75	56.44	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company
2. Common Directors				
	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents space in the Central World commercial complex to sell food and drinks.	246.48	306.35	
	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to Central Pattana plc.	1.64	3.89	The Audit Committee reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
5. Central Trading Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel plc. and Subsidiary Companies purchase electronic equipment/ machines (ie: cash registers, calculators and related accessories) for use in its business operations from Central Trading Co., Ltd.	1.40	0.61	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with the normal procurement regulations and procedures.
2. Common Directors				
	The Central Plaza Hotel plc. provides F & B services to Central Trading Co., Ltd.	0.43	1.57	The Audit Committee reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
6. Power Buy Co.,Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel plc. and Subsidiary Companies purchase electrical products (eg: audio systems speakers, digital cameras, DVD players) from Power Buy Co.,Ltd.	3.67	2.91	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with the the normal procurement regulations and procedures; and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors				

CONNECTED TRANSACTIONS

(continued)

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
7. Harnng Central Department Store Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	These Group Companies purchase electronic equipment, office equipment, as well as legal and business information consulting services, and rent retail space from HARNNG Central Department Store Co., Ltd.			The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices as well as services and rental charges being in line with market rates, and that the purchase is in accordance with normal procurement regulations and procedures, and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors				
	- Central Plaza Hotel plc.	12.09	11.79	
	- Central Restaurants Group Co., Ltd.	30.76	46.26	
	The Central Plaza Hotel plc. provides banquet rooms and services to the Harnng Central Department Store Co., Ltd.	1.10	10.47	
8. Office Club (Thailand) Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	These Group Companies purchase office equipment and stationery from Office Club (Thailand) Co., Ltd.			The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates and that the purchase is in accordance with normal procurement regulations and procedures, and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors				
	- Central Plaza Hotel plc.	0.04	0.07	
	- Central Restaurants Group Co., Ltd.	0.00	0.00	

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
9. Post Publishing Plc.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	These Group Companies purchase newspaper and print advertising space from Post Publishing Plc. for use by its hotel guests and food services clients			The Audit Committee reviewed the matter and is of the opinion that the agreed process are in line with market rates, and that the purchase is in accordance with the normal procurement regulations and procedures; and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors				
	- Central Plaza Hotel plc.	5.63	4.64	
	- Central Restaurants Group Co., Ltd.	3.72	0.00	
	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to the Post Publishing Plc.	1.05	3.18	The Audit Committee reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
10. Central Food Retail Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel plc. and Subsidiary Companies purchase goods from Central Food Retail Co., Ltd. for use by its hotel guests and customers.	3.22	3.99	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates and that the purchase is in accordance with the normal procurement regulations and procedures.
2. Common Directors				
	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents retail space in TOPS Supermarket from Central Food Retail Co., Ltd. to sell food and drinks.	0.90	1.27	Both the rental and services charges are in line with market rates as well as appropriate to the location and proposed services, and that transaction is reasonable.
	Central Plaza Hotel plc. and Subsidiary Companies sells hotel rooms and rents meeting facilities as well as provides F & B services to Central Food Retail Co., Ltd.	0.88	0.92	The Audit Committee reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.

CONNECTED TRANSACTIONS

(continued)

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
11. Central Realty Service Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel plc. uses public utilities services provided by Central Realty Service Co., Ltd.	0.12	1.02	The Audit Committee reviewed the matter and is of the opinion that both the aged rental and services charges are in line with market rates as well as appropriate for the location and the proposed services, and that the proposed transactions are reasonable.
2. Common Directors	Central Restaurants Group Co., Ltd. (CRG), rents commercial space from Central Realty Service Co., Ltd. to sell food and drinks.	1.57	0.00	
12. Central World Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents retail space in Central World Complex from Central World Co., Ltd. to sell food and drinks, with rental fees paid in advance and also monthly service fees (calculated on per sq.m basis) payable.	23.76	27.19	The Audit Committee reviewed the matter and is of the opinion that both the rental and services charges are in line with market rates as well as appropriate for the location and the proposed services, with the rental agreement terms and charges clearly defined, and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors	The Central Plaza Hotel plc. provides sells hotel rooms and F & B services to Central World Co., Ltd.	0.22	0.27	
13. Bangna Central Property Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents retail space in Central Bangna Complex from Bangna Central Property Co., Ltd. to sell food and drinks.	17.48	17.10	The Audit Committee reviewed the matter and is of the opinion that both the rental and services charges are in line with market rates as well as appropriate for the location and the proposed services, with the rental agreement terms and charges clearly defined, and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors				

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
14. Robinson Department Store Plc.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), rents retail space in the Robinson shopping complex from Robinson Department Store Plc. to sell food and drinks	109.48	127.72	The Audit Committee reviewed the matter and is of the opinion that both the rental and services charges are in line with market rates as well as appropriate for the location and the proposed services, with the rental agreement terms and charges clearly defined, and that the proposed transaction is reasonable with maximum benefits for the Company.
2. Common Directors				
15. Central Retail Corporation Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	Central Retail Corporation Co., Ltd. provides business planning consulting and warehousing services to a Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG).	0.04	0.00	The Audit Committee reviewed the matter and is of the opinion that the services provider is both capable and well-experienced in warehousing management, the services fees charged are in line with market rates, and that the purchase is in accordance with normal procurement regulations and procedures; and that the proposed transaction is reasonable with maximum benefits for Company.
2. Common Directors				
	Central Retail Corporation Co., Ltd. provides business planning consulting and warehousing services to The Central Plaza Hotel plc and Subsidiary Companies.	0.00	0.37	The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
16. B2S Co., Ltd.				
Relationship:				
1. Common Directors	The Central Plaza Hotel plc. purchase writing and stationery products from B2S Co., Ltd.	0.01	0.04	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with normal procurement regulations and procedures; and that the proposed transaction is reasonable.

CONNECTED TRANSACTIONS

(continued)

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
17. Central Embassy Hotel Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	The Central Plaza Hotel plc. and Subsidiary Companies sell hotel rooms and provide F & B services, at market prices, to Central Embassy Hotel Co., Ltd.	0.00	0.02	The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
2. Common Directors				
18. CRC Thai Watsadu Co, Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	The Central Plaza Hotel plc. purchase products from CRC Thai Watsadu Co, Ltd.	1.13	1.34	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with normal procurement regulations and procedures, and that the proposed transaction is reasonable.
2. Common Directors				
19. CPN Pattaya Beach Hotel Co., Ltd				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel pcl. and its subsidiaries rent consignment area from CPN Pattaya Beach Hotel Co., Ltd for selling food and beverage. The rate of rental and service charge are calculated on a sq.m basis per month (Or as a percentage of sales) which have a clearly defined rental fees and agreement term.	12.79	13.97	The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
2. Common Directors				

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
20. Central Life Broker Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel pcl. and its subsidiaries purchase group insurance for employees from Central Life Broker Co., Ltd. The premium rate is calculated based on the value of insurance premiums and coverage received.	0.16	0.00	The Audit Committee have reviewed the matter and is of the opinion that the proposed insurance premiums are the same as for normal clients; and that the proposed transactions are reasonable.
2. Common Directors				
21. Post-ACP Co.,Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG), engage Post-ACP Co.,Ltd. to publishes and distributes CRG's advertising in Thai language popular magazine -"Cleo"- and also monthly service fees payable.	0.47	0.00	The Audit Committee reviewed the matter and is of the opinion that : the proposed service fees is in line with market rates, with clearly defined agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company
2. Common Directors				
22. Central Pattana Nine Square Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel pcl. and its subsidiaries rent the area from Central Pattana Nine Square Co., Ltd. for selling food and beverage. The rate of rental and service charge are calculated on a sq.m basis per month (Or as a percentage of sales) which have a clearly defined rental fees and agreement term.	22.36	33.16	The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
2. Common Directors				

CONNECTED TRANSACTIONS

(continued)

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
23. Central Insurance Services Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel pcl. and its subsidiaries purchase group insurance for employees from Central Insurance Services Co., Ltd. The premium rate is calculated based on the value of insurance premiums and coverage received.	14.07	1.93	The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
24. CPN Retail Growth Leasehold Property Fund ("CPNRF")				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG) rents retail space for use in its restaurants and retail food services businesses. The rate of rental and service charge are calculated on a sq.m basis per month (Or as a percentage of sales) which have a clearly defined rental fees and agreement term.	17.66	30.05	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company.
25. COL PCL.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG) purchase stationaty and office equipment from COL PCL.	1.86	0.25	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates and that the purchase is in accordance with the normal procurement regulations and procedures.
2. Common Directors				
26. Central People Development Center Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	These Group Companies received training service from Central People Development Center Co., Ltd.			The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
2. Common Directors				
	- Central Plaza Hotel plc.	6.85	6.42	
	- Central Restaurants Group Co., Ltd.	10.53	14.82	
	The Central Plaza Hotel plc and its sibsidiaries provides hotel rooms and F&B services to the Central People Development Center Co., Ltd.	3.01	5.90	

Related Companies	Transaction Details	For the Year 2016 (Baht Million)	For the Year 2017 (Baht Million)	Facts and Reasons
27. Central Pattana Rama2 Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	A Subsidiary Company, Central Restaurants Group Co., Ltd. (CRG) rents retail space for use in its restaurants and retail food services businesses. The rate of rental and service charge are calculated on a sq.m basis per month (Or as a percentage of sales) which have a clearly defined rental fees and agreement term.	1.69	0.00	The Audit Committee reviewed the matter and is of the opinion that : both the proposed rental and service fees are in line with market rates, with clearly defined rental fees and agreement terms; and that the proposed transactions are reasonable with maximum benefits for the Company.
2. Common Directors				
28. Central Family Mart Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	The Central Plaza Hotel plc and its sibsidiaries provides hotel rooms and services to the Central Family Mart Co., Ltd.	0.14	0.00	The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
2. Common Directors				
29. CRC Power Retail Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	These Group Companies purchased Furnitures from CRC Power Retail Co., Ltd.			The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with normal procurement regulations and procedures, and that the proposed transaction is reasonable.
2. Common Directors				
	- Central Plaza Hotel plc.	0.03	0.00	
	- Central Restaurants Group Co., Ltd.	0.15	0.00	
30. Central International Development Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	Central International Development Co., Ltd. Long-term lease of land from the railway. The Central Plaza Hotel plc and its sibsidiaries subleased land from Central International Development Co., Ltd. in order to operate its hotel and associated business activities	0.00	116.36	The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
2. Common Directors				

GENERAL INFORMATION OF BUSINESSES HELD

by the **COMPANY 10% UPWARD**

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
1	Central Hua Hin Beach Resort Co., Ltd. 1 Damnernkasem Road, Hua Hin, Prachuab-Khirikhan Tel. : (032) 512-021 Fax : (032) 511-099	Centara Grand Beach Resort & Villas Hua Hin (249 rooms)	1,850,000 shares, at par 100 Baht each	1,183,104 shares	63.9%
2	Central Samui Hotel Management Co., Ltd. 38/2 Moo 3 Tambon Bophut, Koh Samui, Suratthani Tel. : (077) 230-500 Fax : (077) 230-522	Centara Grand Beach Resort Samui (202 rooms)	12,500 shares at par 100 Baht each	12,495 shares	100.0%
3	Central Samui Beach Resort Co., Ltd. 38/2 Moo 3 Tambon Bophut, Koh Samui, Suratthani Tel. : (077) 230-500 Fax : (077) 230-522	Centara Grand Beach Resort Phuket (262 rooms)	6,700,000 shares at par 100 Baht each	6,699,997 shares	100.0%
4	Central Samui Village Co., Ltd. 111 Moo 2 Tambon Maret, Koh Samui, Suratthani Tel. : (077) 424-020 Fax : (077) 424-022	Centara Villas Samui (100 rooms)	550,000 shares at par 100 Baht each	549,996 shares (Owned by Central Samui Beach Resort Co., Ltd.)	100.0%
5	Central Hotel Management Co., Ltd. 1695 Paholyothin Road, Chatuchak, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Holding Company	2,500,000 shares at par 100 Baht each	2,499,996 shares	100.0%
6	Central Sukhontha Hotel Co., Ltd. 3 Sanehanusorn Road, Had Yai, Songkla Tel. : (074) 352-222 Fax : (074) 352-223	Centara Hotel Hat Yai (245 rooms)	1,450,000 shares at par 100 Baht each	1,449,995 shares (Owned by Central Hotel Management Co., Ltd.)	100.0%
7	Central Karon Village Co., Ltd. 701 Patak Road, Tambon Karon, Muang, Phuket Tel. : (076) 286-300 Fax : (076) 286-316	Centara Villas Phuket (72 rooms)	375,000 shares at par 100 Baht each	374,995 shares	100.0%
8	Central Mae Sot Hill Hotel Co., Ltd. 100 Asia Road, Mae Sot, Tak Tel. : (055) 532-601 Fax : (055) 532-600	Centara Mae Sot Hill Resort (113 rooms)	190,000 shares at par 1,000 Baht each	186,998 shares (Owned by Central Hotel Management Co., Ltd.)	98.4%
9	Central Krabi Bay Resort Co., Ltd. 396-396/1 Moo 2 Tambon Ao Nang, Muang, Krabi Tel. : (075) 637-789 Fax : (075) 637-800	Centara Grand Beach Resort & Villas Krabi (192 rooms)	5,000,000 shares at par 100 Baht each	4,999,995 shares	100.0%

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
10	Karon Phuket Hotel Co., Ltd. 502/3 Patak Road, Tambon Karon, Muang, Phuket Tel. : (076) 396-200-5 Fax : (076) 396-491	Centara Karon Resort Phuket (335 rooms)	5,200,000 shares at par 100 Baht each	5,164,000 shares	99.3%
11	Kata Phuket Hotel Co., Ltd. 54 Kedkwan Road, Tambon Karon, Muang, Phuket Tel. : (076) 370-300 Fax : (076) 333-462	Centara Kata Resort Phuket (158 rooms)	1,200,000 shares at par 100 Baht each	1,187,995 shares	99.0%
12	Central World Hotel Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 100-1234 Fax : (02) 100-1235	Centara Grand & Bangkok Convention Centre at Central World (512 rooms)	20,000,000 shares at par 100 Baht each Paid up of 100 Baht and 80 Baht per share for 10,000,000 shares each	19,999,995 shares	100.0%
13	Central Laundry Services Co., Ltd. 1695 Paholyothin Road, Chatuchak, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	15,000 shares at par 100 Baht each	14,996 shares (Owned by Central Hotel Management Co., Ltd.)	100.0%
14	Central Koh Kood Hotel Co., Ltd. 1695 Paholyothin Road, Chatuchak, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	1,200,000 shares at par 100 Baht each	1,199,995 shares	100.0%
15	Triplenine Decor Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	800,000 shares at par 100 Baht each	799,996 shares	100.0%
16	S.P. Realty Lanta Beach Co.,Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	360,000 shares at par 100 Baht each	359,995 shares (Owned by Central Krabi Bay Resort Co., Ltd.)	100.0%
17	S.P. Realty Pattaya Beach Co.,Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	800,000 shares at par 100 Baht each	799,996 shares	100.0%
18	S.P. Realty Hadfarang Resort Co.,Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	885,000 shares at par 100 Baht each	884,995 shares	100.0%

GENERAL INFORMATION OF BUSINESSES HELD by the Company 10% upward (continued)

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
19	Centara International Management Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Holding Company and Hotel Management	1,500,000 shares at par 100 Baht each	1,499,996 shares	100.0%
20	R.M.L. LEISURE Pvt. Ltd. 2 nd Floor 12 Boduthakurufaanu Magu K. Male' 20094 Maldives *Tel : + 960 330 6566 *Fax : + 960 330 9796	Centara Grand Island Resort & Spa Maldives (112 Suites & Villas)	17,990 shares at par of US\$ 778.21 per share	13,312 shares (Owned by Centara International Management Co., Ltd.)	74.0%
21	Refresh Zone Co., Ltd. (Formerly : Cenvaree Healthy Spa Co., Ltd.) 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Spa	10,000 shares at par 100 Baht each	9,995 shares	100.0%
22	Central Bangkok Convention & Exhibition Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	10,000 shares at par 100 Baht each	9,995 shares	100.0%
23	Centara International Management (Thailand) Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Hotel Management	1,000,000 shares at par 100 Baht each Paid up of 25 Baht per share	999,998 shares	100.0%
24	Centara Maldives Pvt. Ltd. 2 nd Floor (Eastwing), AAGE Henveiru, Male 20094 Republic of Maldives *Tel : + 960 333 3644 *Fax : + 960 331 5453	Centara Ras Fushi Resort & Spa Maldives (140 Suites & Villas)	40,560,000 shares at par of MVR 9.16 per share	30,420,000 shares (Owned by Centara International Management Co., Ltd.)	75.0%
25	Central Restaurants Group Co., Ltd. 306 Silom Road, Suriyawong Bangrak, Bangkok Tel. : (02) 635-7930-9 Fax : (02) 635-7940-1	Franchisee of KFC, Mister Donut, Auntie Anne's, Katsuya, Chabuton, Tenya, Cold Stone Creamery, Yoshinoya, The Terrace, Pepper Lunch	6,200,000 shares at par 100 Baht each	6,199,991 shares	100.0%
26	CRG Manufacturing Co., Ltd. 55/18 Moo 13 Paholyothin Road, Tambon Klong Neung, Klong Luang, Pathumthani Tel. : (02) 909-2277-9 Fax : (02) 529-4900	Manufacturer of ice cream	16,000,000 shares at par 10 Baht each	15,999,994 shares (Owned by Central Restaurants Group Co., Ltd.)	100.0%
27	CRG International Food Co., Ltd. 306 Silom Road, Suriyawong Bangrak, Bangkok Tel. : (02) 635-7930-9 Fax : (02) 635-7940-1	Japanese Restaurant "Ootoya"	1,797,600 shares at par 100 Baht each	1,797,591 shares (Owned by Central Restaurants Group Co., Ltd.)	100.0%
28	Centara Import-Export Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Import and Export	100,000 shares at par 10 Baht each	99,997 shares	100.0%

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
29	Cosi Hotels Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Cosi Samui Chaweng Beach (151 rooms)	300,000 shares at par 100 Baht each	299,997 shares	100.0%
30	Cosi Hotel Management Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	50,000 shares at par 100 Baht each Paid up of 25 Baht per share	49,997 shares	100.0%
31	Centara Loyalty Marketing Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Offer privileges for customer	500,000 shares at par 100 Baht each Paid up of 25 Baht per share	499,997 shares	100.0%
32	Centara Learning Centre Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Learning Centre	1,000,000 shares at par 10 Baht each Paid up of 2.5 Baht per share	999,996 shares	100.0%
33	Centara Hotels & Resorts Leasehold Property Fund 400/22 6 th Floor, Kasikornbank Building Paholyothin Road, Samsen Nai, Phaya Thai, Bangkok Tel : (02) 673-3999 Fax : (02) 673-3900	Property Fund	320,000,000 units at par 10 Baht each	81,093,500 units	25.3%
34	Centara (Shanghai) Hotel Management Co., Ltd. 1208 Ascendas Cross Tower, No.318 Fuzhou Road, Huangpu District, Shanghai, 200001	Not operate yet	Register share capital of 12,000,000 Chinese Yuan paid up of 9,300,000 Chinese Yuan	N/A (Owned by Centara International Management Co., Ltd.)	100.0%
35	CIM for Hotel Management - Egypt, S.A.E North Tower, Nile City Buildings, 22 nd Floor, Room No.2328-05, Ramlet Boulac, Corniche El Nile, Cairo	Not operate yet	20,000 shares at par 25 Egyptian Pound each Paid up of 6.25 Egyptian Pound per share	19,998 shares (Owned by Centara International Management Co., Ltd.)	100.0%
36	Centara Capital Limited (Formerly Centara (Hong Kong) Hotel Management Co.,Ltd.) Level 54, Hopewell Centre, 183 Queen's Road East, Hong kong	Holding Company	Register share capital of 17,400,000 HKD	N/A (Owned by Centara Management Headquarter Co., Ltd.)	100.0%
37	Centara Management Headquarter Co., Ltd. 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Hotel Management	6,900,000 shares Par value 100 Baht per share Paid-up shares 100 Baht 500,000 shares 25 Baht 6,400,000 shares	6,899,997 shares	100.0%
38	Lagoon Assets Private Limited 6 th Floor, Aage 12 Boduthakurufaanu Magu K. Male' 20094 Maldives	Not operate yet	5,000 shares at par of MVR 100 per share	5,000 shares (Owned by Centara Capital Limited)	100.0%
39	Nakheel CT Deira Islands Hotel - FZCO Plot No. DIA - BR - 0004B Palm Deira Area, Dubai City, Dubai	Not operate yet	5 shares at par of AED 100,000 per share	5 shares (Owned by Centara Capital Limited)	40.0%

COMPANY’S GENERAL INFORMATION

INFORMATION OF DEBENTURES

Name	Central Plaza Hotel Public Company Limited
Type of Business	Service business – hotel, restaurants, food and beverages, etc.
Company registration no.	0107536001389 (Previously, Bor. Mor. Jor. 212)
Home Page	http://www.centarahotelsresorts.com
Share capital as at 31 December 2017	
Registered:	Baht 1,350,000,000, comprising of 1,350,000,000 ordinary shares at par value of Baht 1 per share
Issued and fully paid:	Baht 1,350,000,000, comprising of 1,350,000,000 ordinary shares at par value of Baht 1 per share
Centara Hotels & Resorts Office	
Address	999/99 Rama 1 Road, Pathumwan, Bangkok
Telephone	(02) 769-1234
Fax	(02) 769-1235
Centara Grand at Central Plaza Ladprao Bangkok Office	
Address	1695 Paholyothin Road, Chatuchak, Bangkok
Telephone	(02) 541-1234
Fax	(02) 541-1087

Debtenture	The latest Credit Rating	Amount (MB)	Issuance Date	Tenor (year)	Interest Rate	Collateral	Interest Payment Cycle	Maturity Date	Balance as at 31 December 2017
CENTEL18NA	A	700	19/11/2015	3 years	2.41%	-	6 months	19/11/2018	700
CENTEL203A	N/A	800	30/3/2016	4 years	2.09%	-	6 months	30/3/2020	800
CENTEL218A	A	980	11/8/2016	5 years	2.45%	-	6 months	11/8/2021	980
CENTEL229A	A	1,000	29/9/2016	6 years	2.78%	-	6 months	29/9/2022	1,000
CENTEL239A	A	1,000	29/9/2016	7 years	2.97%	-	6 months	29/9/2023	1,000
CENTEL269A	A	500	29/9/2016	10 years	3.39%	-	6 months	29/9/2026	500

Note : All of debentures were rated by Tris Rating Co.,Ltd.

CONDITIONS OF DEBENTURES ISSUANCE

1. The Company has to maintain Interest - bearing debt to equity ratio of not more than 2 : 1 as at the ending period of each year, calculated from the consolidated financial statements.

OTHER REFERENCE FIRMS

SHARE REGISTRAR

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400

Tel. : (02) 009 9000

Fax : (02) 009 9991

DEBENTURE REGISTRAR

CIMB Thai Bank Public Company Limited.

Head Office 44 Langsuan Road, Lumpini, Pathum Wan, Bangkok 10330

Tel. : (02) 626-7777

- “Debentures of Central Plaza Hotel Public Company Limited No. 1/2015 Due 2018” (CENTEL18NA)
- “Debentures of Central Plaza Hotel Public Company Limited No. 1/2016 Due 2020” (CENTEL203A)
- “Debentures of Central Plaza Hotel Public Company Limited No. 2/2016 Due 2021” (CENTEL218A)
- “Debentures of Central Plaza Hotel Public Company Limited No. 3/2016 series 1 Due 2022” (CENTEL229A)
- “Debentures of Central Plaza Hotel Public Company Limited No. 3/2016 series 2 Due 2023” (CENTEL239A)
- “Debentures of Central Plaza Hotel Public Company Limited No. 3/2016 series 3 Due 2026” (CENTEL269A)

AUDITOR

KPMG Phoomchai Audit Co., Ltd.

50th-51st Floor, Empire Tower, 195 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120

Tel. : (02) 677-2000

Fax : (02) 677-2222

CREDIT RATING COMPANY

Tris Rating Co., Ltd.

24th Floor, Silom Complex Building, 191 Silom Road, Bangkok 10500

Tel. : (02) 231-3011

CORPORATE MANAGEMENT

CENTARA HOTELS & RESORTS

Corporate Management

Chairman of the Board

Vice Chairman

Honorary Advisor to the Board

Honorary Advisor to the Board

Honorary Advisor to the Board

Advisor to Chairman of the Board

Advisor to the Board

Hotels Business Group Operations

Chief Executive Officer

Deputy Chief Executive Officer

Vice President - Operations

Corporate Affairs & Social Responsibilities

Senior Vice President - Corporate Affairs & Social Responsibilities

Centara International Management

Vice President - Business Development

Finance & Administration

Senior Vice President - Finance & Administration

Vice President - Procurement

Sales & Marketing

Vice President - Sales

Vice President - Brand, Marketing & Digital

Human Resources

Vice President - Human Resources

Design & Technical Services

Vice President - Design & Technical Services

Mr. Suthikiati Chirathivat

Mr. Suthichai Chirathivat

Mr. Suthiporn Chirathivat

Khunying Suchitra Mongkolkiti

Prof. Viroj Lowhaphandu

Mr. Dan Chinsupakul

Mr. Gerd Kurt Steeb

Mr. Thirayuth Chirathivat

Mr. Timothy Markland Blaiklock

Mr. David Robert Good

Mrs. Supatra Chirathivat

Mr. Timothy Markland Blaiklock (Acting)

Dr. Ronnachit Mahattanapreut

Mr. Thirakiati Chirathivat

Mr. Paul Wilson

Mr. Thomas Roger Thrussell

Mr. Timothy Markland Blaiklock (Acting)

Mr. Adrian Hardwick-Jones

CORPORATE MANAGEMENT (continued)

Group Director of Operations

Corporate Director of Operations
Corporate Director of Operations
Corporate Director of Operations
Corporate Director of Operations

Mr. Robert Frederik Maurer-Loeffler
Mr. Harinder Singh Thaliwal
Mr. Austin Robinson
Mr. Kamal Chaoui

Hotel Management

Centara Grand & Bangkok Convention Centre at CentralWorld
Centara Grand at Central Plaza Ladprao Bangkok
Centara Grand Beach Resort & Villas Krabi
Centara Grand Beach Resort Samui
Centara Grand Beach Resort & Villas Hua Hin
Centara Grand Mirage Beach Resort Pattaya
Centara Grand Beach Resort Phuket
Centara Grand Phratamnak Pattaya
Centara Grand Island Resort & Spa Maldives
Centara Grand West Bay Hotel Doha
Centara Villas Samui
Centara Karon Resort Phuket
Centara Mae Sot Hill Resort
Centara Hotel Hat Yai
Centara Hotel & Convention Centre Udon Thani
Centara Anda Dhevi Resort & Spa Krabi
Centara Watergate Pavillion Hotel Bangkok
Centara Pattaya Hotel
Centara Nova Hotel & Spa Pattaya
Centara Koh Chang Tropicana Resort
Centara Seaview Resort Khao Lak
Centara Q Resort Rayong
Centara Blue Marine Resort & Spa Phuket
Centara Ras Fushi Resort & Spa Maldives
Centara Sandy Beach Resort Da Nang
Centara Ceysands Resort & Spa, Sri Lanka
Centara Residences & Suites Doha
Centara Muscat Hotel
Khum Phaya Resort & Spa, Centara Boutique Collection

Centra by Centara Government Complex Hotel
& Convention Centre Chaeng Watthana

Centra by Centara Maris Resort Jomtien
Centra by Centara Phu Pano Resort Krabi

Mr. Robert Frederik Maurer-Loeffler
Mr. Wilhelmus Nicolaas Maria Fagel
Mr. Darren Shaw
Mr. Denis Thouvard
Mr. David Martens
Mr. Andre Brulhart
Mr. Kamal Chaoui
Mr. Austin Robinson
Mr. Voytek Klasicki
Mr. James Robert Wilson
Ms. Karin Jongman
Mr. Wayne Graydon Duberly
Mr. Somsak Saisawad
Mr. Manoon Wutti
Mr. Preecha Yarangwong
Mr. George Kenton
Mr. Harinder Singh Thaliwal
Mr. Jonas Sjostedt
Mr. Jonas Sjostedt
Mr. Pius Luchinger
Mr. Adrian Hannes Kuert (Acting)
Ms. Wassana Pokthang
Mr. Ruud Andries Hulscher
Ms. Prapaijit Thongma
Mr. Luke Benbow
Mr. Mario Taulien
Mr. Mario Rabi
Mr. Anthony Wright
Mr. Opas Damrongkul

Mr. Asdang Sukwises

Mr. Chaiphun Thongsuthum
Mr. Chalermrat Khumsawad

Resort Manager

Centara Chaan Talay Resort & Villas Trat
Centra by Centara Coconut Beach Resort Samui
Waterfront Suites Phuket by Centara

Mr. Thatthep Thamrongwarasart
Ms. Rutjiret Ananphong
Ms. Juntharaphon Pairat

Hotel Manager

Centara Azure Hotel Pattaya
Centra by Centara Avenue Hotel Pattaya
Centara Kata Resort Phuket
Centara Villas Phuket
COSI Samui Chaweng Beach

Mr. Khajohn Wimolcharoensuk
Mr. Khajohn Wimolcharoensuk
Mr. Veerapol Pongvarin
Mr. Dechanont Wangthong
Ms. Umaporn Vongpipun

CENTRAL RESTAURANT GROUP

President of CRG
Chief Operating Officer
Chief Financial Officer
Senior Vice President Food Innovation and President Ootoya
Senior Vice President Human Resources
Senior Vice President Operations
Senior Vice President Operations & Special Project
Senior Vice President Corporate Strategy and Development
Senior Vice President Marketing
Senior Vice President Business Development
Vice President of KFC
Vice President of Mister Donut
Assistant Vice President of Auntie Anne's
Assistant Vice President of Pepper Lunch
Assistant Vice President of Cold Stone Creamery
Assistant Vice President of Yoshinoya & Chabuton
Assistant Vice President of CRG Manufacturing
Assistant Vice President of The Terrace
Assistant Vice President of Ootoya
Assistant Vice President of Katsuya & Tenya
Assistant Vice President Purchasing
Assistant Vice President Logistics

Mr. Nath Vongpanich
Mr. Sucheep Tamacheepjareon
Ms. Nanthawan Vatcharakomolpun
Mrs. Ampaipan Chirathivat
Ms. Jaruan Ngampisutpaisan
Mr. Chainarong Lerlertvanich
Mrs. Pentip Ungpakorn
Dr. Chatchai Unahabhokha
Mr. Piyapong Chitchumnong
Mr. Sitthisak Wongsamut
Mrs. Kittiyaporn Kulpaibul
Ms. Sineenart Sookthavorn
Mrs. Nongnapas Rumpeuy
Mrs. Orawan Komolphanporn
Mrs. Wachiraporn Wanitchai
Mr. Pol Sridaeng
Mr. Rastam Benraheem
Ms. Chatuedee Suktrakul
Mr. Parwit Amtim
Mrs. Siriporn Thanintharatharn
Mr. Phachsorn Phachlilom
Mr. Thirawat Loetthiraphan



SOUTH AMERICA
CUBA



MIDDLE EAST
OMAN
QATAR



INDIAN OCEAN
MALDIVES
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CENTARA
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RESIDENCES & SUITES

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by CENTARA

COSI

SPA
Cenvaree

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by SPA Cenvaree

CENTARA The 1 card



ชาบูตง และ คอรัล
CHABUTON
ชาบูตง วาเลน



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