



CENTARA
HOTELS & RESORTS



CENTRAL PLAZA HOTEL
PUBLIC COMPANY LIMITED



ANNUAL REPORT

2018

AWARDS 2018



Central Plaza Hotel Public Company Limited	<ul style="list-style-type: none">Thailand Top Corporate Brand Values 2018 - Tourism & Leisure categoryThailand Sustainability Investment (THSI) 2018 by The Stock Exchange of Thailand (SET)
Centara Hotels & Resorts Corporate	<ul style="list-style-type: none">Outstanding Investor Relations Awards 2018 by The Stock Exchange of Thailand (SET)
Centara Grand & Bangkok convention Centre at CentralWorld	<ul style="list-style-type: none">TTG Asia Travel Awards 2018 - Best Meetings & Conventions Hotel in Asia PacificThailand Tatler's Best Restaurants 2018 – UNO MAS RestaurantBangkok's Best Restaurant Awards 2018 by Bangkok Best Dining & Entertainment - UNO MAS Restaurant / The World RestaurantEarthCheck Gold Certified 2018ASEAN MICE Venue Standard 2018-2020 by TCEBThailand MICE Venue Standard “Exhibition Venue Type 2 Certificate 2018-2020” by TCEBThailand MICE Venue Standard “Meeting Room (hotels/resorts) Certificate 2018-2020” by TCEB
Centara Grand at Central Plaza Ladprao Bangkok	<ul style="list-style-type: none">ASEAN MICE Venue Standard 2018-2020 by TCEBEarthCheck Gold Certificate 2018Thailand Tatler's Best Restaurants 2018 – Suan Bua RestaurantThailand MICE Venue Standard Certificate 2018-2020Hotel Restaurant of the Year 2018 by The LTG Food & Drink PublicationLoved by Guest Most Wanted Award 2018 by Hotels.com
Centara Grand Beach Resort & Villas Krabi	<ul style="list-style-type: none">EarthCheck Gold Certificate 2018Certificate of Excellence 2018 by TripAdvisorSkål Sustainable Tourism Awards 2018The Standard on Prevention and Solution to Drug Problems in an Establishment 2018-2021 by Department of Labour Protection and Welfare
Centara Grand Beach Resort Samui	<ul style="list-style-type: none">Best in Travel 2018 in Best Wedding Hotels category by Smart Travel AsiaEnergy-Saving Technology Award 2018 by Ministry of EnergyEarthCheck Gold Certificate 2018Certificate of Excellence Trip Advisor 2018TripAdvisor Certificate of Excellence 2018 – COAST Beach Club & BistroTripAdvisor Certificate of Excellence 2018 – ZING BakeryGuest Rated Award 2018 by ExpediaLoved by Guests 2018 by Hotels.comGuests Rated Awards 2018 by TravelocityWorld Luxury Restaurant Award 2018 COAST Beach Club & Bistro - South East Asia region winner in Luxury Beachside Restaurant / South East Asia region winner in Gourmet Bistro



Centara Grand Beach Resort & Villas Hua Hin	<ul style="list-style-type: none">Excellent Support for Persons with Disabilities Award 2018EarthCheck Gold Certificate 2018ASEAN Green Hotel Standard 2018 by The Association of Southeast Asian Nations (ASEAN)Green Hotel Awards 2018 – Gold Level by Department of Environmental Quality PromotionHua Hin's Best Hotel #1 ranked by TripAdvisorBest in Travel 2018 in Best Luxury Hotels category by Smart Travel Asia
Centara Grand Mirage Beach Resort Pattaya	<ul style="list-style-type: none">TripAdvisor Travellers' Choice 2018 - #4 Hotels for Families in AsiaTripAdvisor Travellers' Choice 2018 - #1 Hotels for Families in ThailandTripAdvisor Certificate of Excellence 2018EarthCheck Gold Certificate 2018
Centara Grand Beach Resort Phuket	<ul style="list-style-type: none">EarthCheck Gold Certificate 2018World Luxury Restaurant Award 2018 – COAST Beach Club & BistroBest in Travel 2018 in Best Family Hotels category by Smart Travel AsiaAgoda Gold Circle Award 2018TripAdvisor Travellers' Choice 2018 - #4 Hotel for Families in Thailand
Centara Grand Island Resort & Spa Maldives	<ul style="list-style-type: none">TripAdvisor Certificate of Excellence 2018EarthCheck Gold Certificate 2018World Luxury Hotel Awards 2018 - Luxury Family Beach Resort by World Luxury Hotel Awards WebsiteHotel of the Year Awards 2018 – #11 in Best Luxury Romantic All-Inclusive Resorts Worldwide by Hotel of the Year Awards WebsiteRecommended on HolidayCheck 2018
Centara Villas Samui	<ul style="list-style-type: none">EarthCheck Silver Certificate 2018
Centara Villas Phuket	<ul style="list-style-type: none">EarthCheck Silver Certificate 2018Recognition of Excellence 2018 by Hotel CombinedCustomer Review Awards 2018 by Agoda
Centara Kata Resort Phuket	<ul style="list-style-type: none">EarthCheck Gold Certificate 2018
Centara Karon Resort Phuket	<ul style="list-style-type: none">TripAdvisor Travellers' Choice 2018 – #7 Hotels for Families in ThailandTripAdvisor Certificate of Excellence 2018Recommended on HolidayCheck 2018Recognition of Excellence 2018 by Hotel Combined
Centra by Centara Hotel Mae Sot	<ul style="list-style-type: none">Excellent Establishment on Labour Relations and Welfare 2018 in National Level by Ministry of LabourSafety Thailand 2018 – Silver Level by Thailand Institute of Occupational Safety and Health

Centara Chaan Talay Resort & Villas Trat	<ul style="list-style-type: none">Recommended on HolidayCheck 2018
Centara Hotel Hat Yai	<ul style="list-style-type: none">Excellent Establishment on Labour Relations and Welfare 2018 in Provincial Level by Department of Labour Protection and WelfareThe Standard's Criteria on Prevention and Solution on Drug Problem in an Establishment 2018 by Department of Labour Protection and WelfareEarthCheck Silver Certificate 2018Thailand MICE Venue Standard "Meeting room (hotels/resorts) Certificate 2018-2020 by TCEB
Centara Hotel & Convention Centre Udon Thani	<ul style="list-style-type: none">Earth Check Evaluate Certificate 2018
Centara Anda Dhevi Resort & Spa Krabi	<ul style="list-style-type: none">Loved by Guest Most Wanted Award 2018 by Hotels.comGood Wastewater Management by Phuket Regional Environment Office 15
Centara Nova Hotel & Spa Pattaya	<ul style="list-style-type: none">TripAdvisor Certificate of Excellence 2018
Centara Azure Hotel Pattaya	<ul style="list-style-type: none">Hotel of the Year Awards 2018 - #86 in Best Value New 4-Star Boutique Hotel Asia 2018 by Hotel of the Year Awards WebsiteWinner Best Espresso 2018 by Piazza Doro
Centara Q Resort Rayong	<ul style="list-style-type: none">Traveloka Preferred Hotel Partner 2018Loved by Guest Most Wanted Award 2018 by Hotels.com
Centara Koh Chang Tropicana Resort	<ul style="list-style-type: none">Rising Star Award 2018 by Ctrip
Centara Seaview Resort Khao Lak	<ul style="list-style-type: none">TripAdvisor Certificate of Excellence 2018
Centara Ras Fushi Resort & Spa Maldives	<ul style="list-style-type: none">World Luxury Hotel Awards 2018 - Luxury Adult Beach Resort by World Luxury Hotel Awards WebsiteEarthCheck Silver Certificate 2018Hotel of the Year Awards 2018 – #17 in Best Adult-Only All-Inclusive Romantic Resort Worldwide by Hotel of the Year Awards WebsiteRecommended on HolidayCheck 2018
Centara Sandy Beach Resort Danang	<ul style="list-style-type: none">Best in Business for Korean Market by Vietnam Tourism Association
Centara Muscat Hotel	<ul style="list-style-type: none">Thanks & Appreciation Certificate by Oman Royal Court AffairsThanks & Appreciation Certificate by Oman Ministry of Defence
Khum Phaya Resort & Spa, Centara Boutique Collection	<ul style="list-style-type: none">Loved by Guest Most Wanted Award 2018 by Hotels.comCertificate of excellence 2018 by TripAdvisorRecommended on HolidayCheck 2018The Standard on Prevention and Solution on Drug Problem in an Establishment 2018 by Department of Labour Protection and WelfareFire Fighting and Prevention Management System for Service Sector 2018 in Gold Level by Safety Committee Chiang Mai Province
Centra by Centara Government Complex Hotel & Convention Centre Cheang Watthana	<ul style="list-style-type: none">Thailand MICE Venue Standard "Meeting room (hotels/resorts) Certificate 2018-2020" by TCEBStandard on Prevention and Solution on Drug Problem in an Establishment 2018 by Department of Labour Protection and Welfare
Centra by Centara Maris Resort Jomtien	<ul style="list-style-type: none">Green Hotel Awards 2018 – Gold Level by Department of Environmental Quality PromotionCertificate of excellence 2018 by TripAdvisorFriendly Design Award 2018 – Friendly Design Hotel by Friendly Design Thailand Foundation
COSI Samui Chaweng Beach	<ul style="list-style-type: none">Agoda Gold Circle Award 2018



Central Restaurants Group Co., Ltd.	<ul style="list-style-type: none">Excellent Organization: Career Promotion for Persons of Disabilities 2018 from the Ministry of Social Development and Human Security
Central International Food Co., Ltd.	<ul style="list-style-type: none">Excellent Organization: Career Promotion for Persons of Disabilities 2018 from the Ministry of Social Development and Human Security
Mister Donut	<ul style="list-style-type: none">No.1 Brand Thailand 2017-2018 by Marketeer
KFC	<ul style="list-style-type: none">Best CSR Awards – Gold level by AMCHAMNo.1 Brand among QSR and Restaurant industry by MarketeerZocial awards – most social engagement brand by Thoth Zocial
Auntie Anne's	<ul style="list-style-type: none">Franchisee of the Year 2017
Cold Stone Creamery	<ul style="list-style-type: none">Most Successful Marketing Promotion (Cold Stone Free Ice Cream Day 2018)Most Successful New Product Launch (Mango Mania)Top Store Award (Central Rama 9)
The Terrace	<ul style="list-style-type: none">Thai Select - The Seal Approval of Thai Cuisine
Ootoya	<ul style="list-style-type: none">The Winner The 8th OOTOYA Oversea Kitchen Contest



CENTARA FAMILY HOTEL BUSINESS



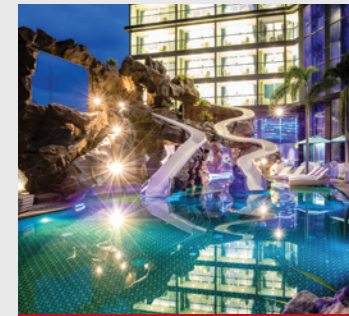
Centara Grand & Bangkok Convention
Centre at CentralWorld



Centara Grand at Central Plaza
Ladprao Bangkok



Centara Grand Beach
Resort & Villas Krabi



Centara Azure Hotel Pattaya



Centara Q Resort Rayong



Centara Koh Chang Tropicana Resort



Centara Seaview Resort Khao Lak



Centara Grand Beach Resort Samui



Centara Grand Beach
Resort & Villas Hua Hin



Centara Grand Mirage Beach
Resort Pattaya



Centara Grand Beach Resort Phuket



Centara Blue Marine Resort & Spa
Phuket



Centara Nova Hotel & Spa Pattaya



Centara Ras Fushi Resort & Spa Maldives



Centara Ceysands Resort & Spa Sri Lanka



Centara Grand Phratamnak Pattaya



Centara Grand Island Resort & Spa
Maldives



Centara Villas Samui



Centara Villas Phuket



Centara Sandy Beach Resort Danang



Centara Muscat Hotel Oman



Khum Phaya Resort & Spa,
Centara Boutique Collection



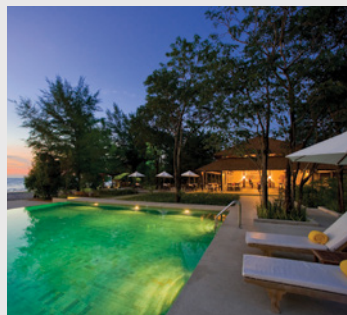
Centra by Centara Government Complex
Hotel & Convention Centre
Cheang Watthana



Centara Kata Resort Phuket



Centara Karon Resort Phuket



Centara Chaan Talay Resort & Villas Trat



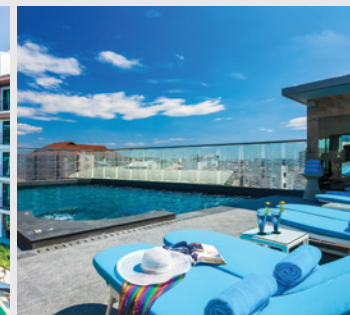
Centara Hotel Hat Yai



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



Centara Hotel & Convention Centre
Udon Thani



Centara Anda Dhevi Resort & Spa Krabi



Centara Watgate Pavillion
Hotel Bangkok



Centara Pattaya Hotel



Centra by Centara Hotel Mae Sot



Waterfront Suites Phuket by Centara



Centara West Bay Residences & Suites
Doha



Così Samui Chaweng Beach



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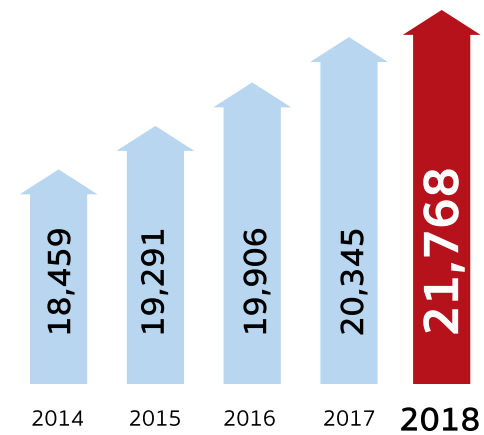
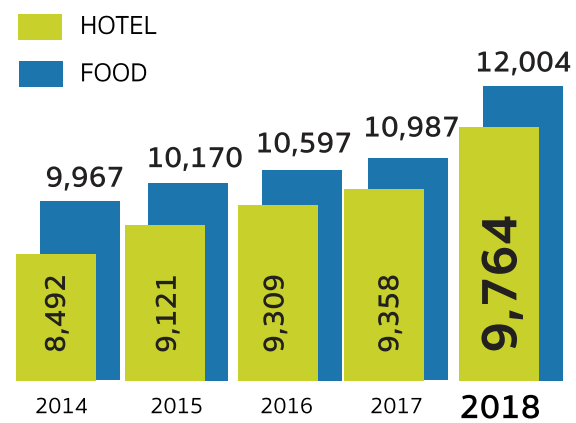
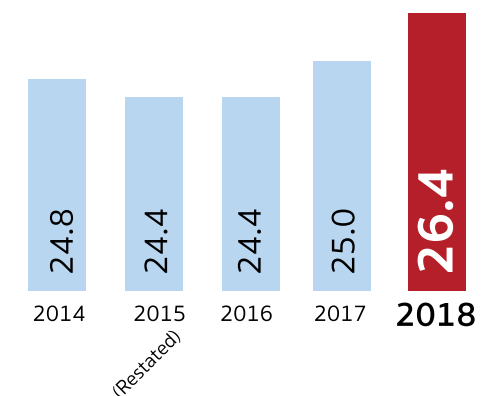
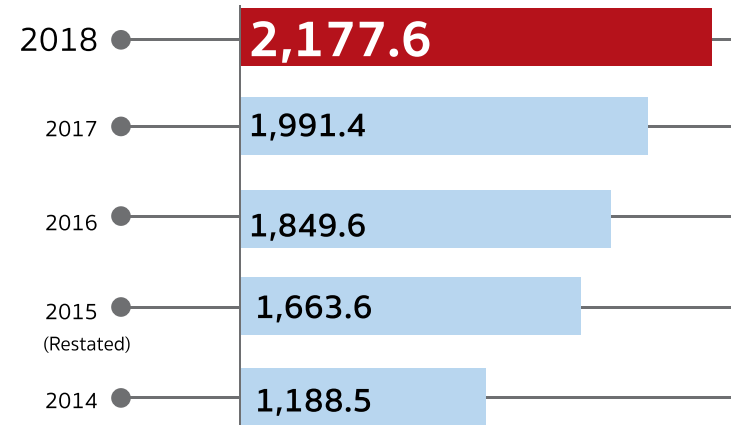
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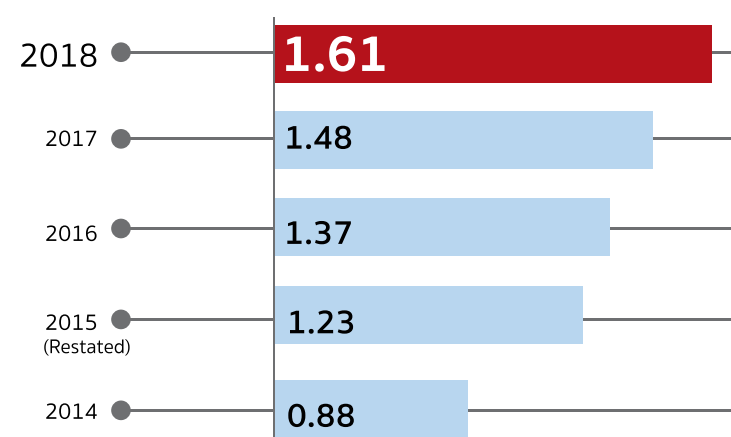
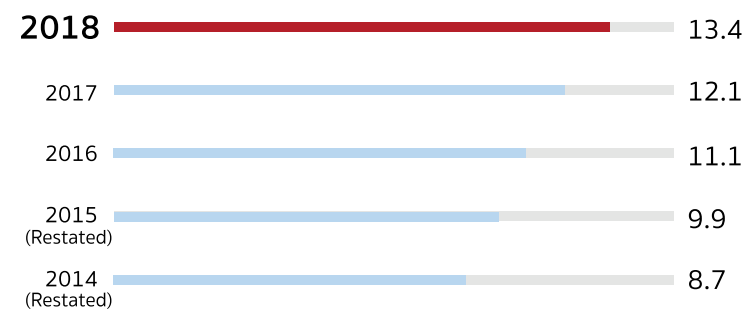
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TOTAL CONSOLIDATED REVENUE
(Baht Millions)HOTEL AND FOOD REVENUE
(Baht Millions)**TOTAL : 21,768**TOTAL CONSOLIDATED ASSETS
(Baht Billions)NET PROFIT AFTER TAX
(Baht Millions)

2018 Extra - Ordinary loss totaling Baht 3.9 million*
 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*

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

FINANCIAL HIGHLIGHTS

(Unit : Million Baht)

	2018	2017	2016
	Consolidated	Consolidated	Consolidated
Operating Results			
Revenues from Sales	21,263.0	19,814.4	19,448.2
Total revenues	21,768.2	20,345.3	19,906.2
Gross profit ⁽¹⁾	11,957.2	11,167.8	10,863.0
Earnings before interest expenses and income tax	2,882.3	2,757.4	2,635.1
Net profit	2,177.6	1,991.4	1,849.6
Financial Position			
Total assets	26,447.4	25,037.3	24,396.8
Total liabilities	13,027.8	12,978.9	13,279.5
Interest bearing debts ⁽²⁾	7,075.8	6,965.2	7,767.6
Shareholders' equity	13,419.7	12,058.4	11,117.3
Retained earnings ⁽³⁾	10,451.3	9,101.2	7,852.3
Weighted Average Number of ordinary shares (million shares)	1,350	1,350	1,350
Key Financial Ratios			
Net profit margin (%) ⁽⁴⁾	10.0%	10.1%	9.3%
Return on assets (%) ⁽⁴⁾	8.2%	8.2%	7.6%
Return on equity (%) ⁽⁴⁾	16.3%	17.1%	16.7%
Interest bearing debts / Equity (times)	0.5	0.6	0.7
Total liabilities / Equity (times)	1.0	1.1	1.2
Earnings per share (Baht)	1.61	1.48	1.37
Book value per share (Baht)	9.94	8.93	8.24

(1) Gross profit calculated from revenues from sales less direct cost excluding depreciation, maintainance expense and rental expense.

(2) Interest bearing debts include loans from related parties.

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

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

FY/2018 - extra-loss from investment in property fund accounted for equity method totaling Baht 3.9 million.
 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.

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



MESSAGE FROM CHAIRMAN

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Central Plaza Hotel Plc for our fiscal year ending 31 December 2018. I am happy to report that we again achieved our goals and are progressing positively into the second year of our five-year strategic plan, during which we expect to leverage our strengths, improve our capabilities, and double our size.

This past year was not without challenges. The global economy grew more slowly and was rife with new uncertainties such as Brexit, trade disagreements, and political crisis in the Maldives. The Baht's strengthening makes Thailand more expensive. And we were set back at mid-year by the boat tragedy in Phuket, which threatened the country's reputation with its biggest inbound market. Chinese tourist number dropped as a result.

As we have seen before, however, Thailand's appeal as a tourism and MICE destination is resilient to such headwinds. Thanks to our diverse geographic mix, we are able to sustain growth. In 2018 Thailand saw over 38 million arrivals and Bangkok remains one of the most visited cities in the world, rivaling Paris and London.

Against this backdrop, the company again increased revenue and profit to record levels, and added new properties in Thailand, Laos and the Middle East.

Our five-year strategic plan, established a little over a year ago, gives us a blueprint for adapting to market changes and continuing to grow profitably. It is ambitious in its intention to expand and exploit market opportunities, both where we are already and in high-potential market niches we can develop in the region. It challenges us to leverage our alliances within the Central Group. It also identifies internal improvements in our systems and processes, where we can operate in more technologically advanced and efficient ways.

Most important to me, it articulates our foundational strengths – what sets us apart from other hotel companies, defines our brand and underlies our success. This is our culture of Thai-style hospitality, including great food, love of children and families; gentle smiles and pampering spas. It is also our flexibility in designing diverse formats to suit a variety of destinations, including some of the most beautiful places in Thailand and the region. Centara has also solidified its reputation as a country leader in MICE industry. We offer state-of-the-art facilities and this, backed by the experience and expertise of the event teams, make our properties a prime choice for any occasion ranging from meetings, seminars, large-scale activities and complex events. Centara has up to 4 prime conference and seminar centres that are ready to serve customers for small and large events. Our modern facilities and unparalleled MICE service standards can accommodate up to 4,000 people with ease.

Our flexibility in designing hotels and resorts in a variety of formats to suit a variety of destinations and the ever-changing behaviours of travellers is at the core of our proposition. We continue to expand to the finest locations both in Thailand and internationally in parallel with the launch of a new and young hotel brand "COSI". The COSI concept is our vision of what a hotel should be for today's independent, digital loving travellers. We have focused on making it simple, relaxed and affordable, yet

perfectly in sync with the demands and needs of our guests' lifestyles. Whether travelling for leisure or work, the newest COSI will capture the market with a perfect mix of location, innovation, seamless connectivity and total freedom and flexibility. The COSI brand aim to expand our reach to new generations of travellers who demand a different vacation experience.

These strengths give us the ability to stay competitive and satisfy the needs of travellers ranging from young, independent adventure-seekers to honeymooners, busy executives, and wealthy retirees. These strengths are how Centara remains distinctive among the many choices of accommodations.

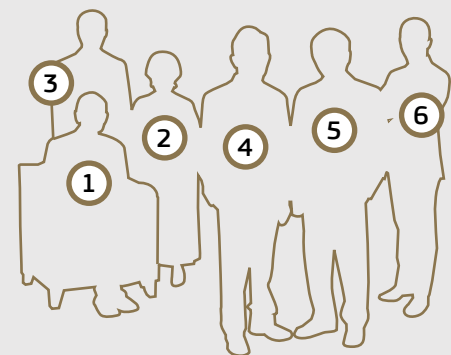
As for the retail food business, Central Restaurants Group or CRG saw strong revenue growth in 2018 as a result of branch expansion and successful product launches. This includes the improvement of services and marketing operations to increase sales for major brands, especially KFC, Ootoya and Auntie Anne's.

Besides the major brands, CRG is also accelerating the expansion of potential brands including Pepper Lunch, Yoshinoya, Tenya and Katsuya. The sales of these four brands in 2018 exceeded 1 billion baht. Delivery sales achieved 20% growth primarily through our collaboration with leading food delivery partners such as Grab Food, Line Man and Food Panda and the development of our own delivery platform, which is slated to fully launch in 2019.

Our success would not be possible without the support of our shareholders, business partners, suppliers, and everyone working at the company. I appreciate your hard work, dedication, and commitment, which we will continue to rely on as we serve our customers in the future.

(Mr. Suthikiati Chirathivat)
Chairman of the Board

BOARD OF DIRECTORS



- | | |
|---|---|
| 1 Mr. Suthiporn Chirathivat
Honorary Advisor of Board Committee | 4 Mr. Suthikiati Chirathivat
Chairman of the Board |
| 2 Khunying Suchitra Mongkolkiti
Honorary Advisor of Board Committee | 5 Mr. Suthichai Chirathivat
Vice Chairman |
| 3 Professor Viroj Lowhaphandu
Honorary Advisor of Board Committee | 6 Mr. Thirayuth Chirathivat
• Chief Executive Officer
• Member of Risk Management and Corporate Governance Committee |

CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED



- | | |
|--|---|
| 7 Mr. Sudhisak Chirathivat
Director | 8 Mr. Sudhitham Chirathivat
• Director
• Member of Nomination and Compensation Committee
• Member of Risk Management and Corporate Governance Committee |
| 9 Mr. Prin Chirathivat
• Director
• Member of Nomination and Compensation Committee
• Member of Risk Management and Corporate Governance Committee | |
| 10 Mr. Bhisit Kuslasayanon
• Independent Director
• Chairman of Audit Committee
• Member of Nomination and Compensation Committee | 11 Ms. Sopawadee Lertmanaschai
• Independent Director
• Member of Audit Committee |
| 12 Mr. Vichien Tejapaibul
• Independent Director
• Member of Audit Committee
• Member of Nomination and Compensation Committee | 13 Mr. Gerd Kurt Steeb
Independent Director |



HOTEL BUSINESS OVERVIEW



MESSAGE FROM CHIEF EXECUTIVE OFFICER CENTARA HOTELS & RESORTS

I am encouraged by our 2018 results and the progress we made in the first year of our five-year strategic plan. There are challenges ahead but we are well-prepared to meet them.

Despite a strengthening baht and a setback from the Phuket tragedy, Thailand saw continued growth in both domestic and inbound international tourism. Centara achieved room volume, revenue and profit, driven by Bangkok particularly great events.

In late 2017 we launched a new lifestyle brand, COSI, in Samui. This innovative format—a complete re-think of what a hotel can be for a new breed of connected, freedom-loving, value-oriented travellers—has proven successful. It will be the template for additional COSI locations in development for North Pattaya, Chiang Mai, Krabi, Phuket and Vientiane. The Samui hotel has already received an Agoda Gold Circle award for high customer reviews.

Late in 2018 we opened our second hotel in the Middle East, in the exclusive West Bay district of downtown Doha, the capital of Qatar. Centara West Bay Residences & Suites offers beautiful views of the Gulf and a superb location for businesspeople and tourists, adjacent prime shopping and the palm-lined Corniche waterfront promenade.

We signed agreements to develop and manage a beach hotel at Ao Nang, Krabi; 2 hotels in the World Heritage town of Luang Prabang, Laos; and the aforementioned COSI in Vientiane. Other projects will expand our footprint to Dubai, Cambodia, and China, plus additional locations in Thailand and the Maldives.

This brings us to 39 properties open and another 29 in development – a total of 68 including 45 in Thailand and 23 in 6 countries overseas.

In 2018 we introduced an important new service concept for the MICE market, New Agenda: meetings redesigned. It leverages our long expertise planning and managing high-profile events at our diverse city and resort destinations. It offers our customers creative ideas, team-building expertise, and one-stop event management.

We received prestigious Traveler's Choice Awards in the family category from TripAdvisor for three of our properties which are Centara Grand Mirage Beach Resort, Centara Grand Beach Resort Phuket and Centara Karon Resort. In fact, Centara Grand Mirage Beach Resort in Pattaya was voted the best family resort in Thailand by thousands of TripAdvisor users.

The Stock Exchange of Thailand categorised our company a “Thailand Sustainability Investment” in recognition of our performance in Environmental, Social and Governance aspects. This is a testament that reflects our high standards of business operations and our ceaseless commitment to social and environmental responsibilities.

For the year 2018, the hotel business generated 9,764 million baht revenue which accounts for 4.3% growth compared to 2017 and a net profit of 1,432 million baht, an increase of 11.4% from year 2017, with 17 hotels owned and 22 managed hotels, the total of 39 operating hotels.

In summary, we are pleased not only to be achieving our ambitious business goals, but also in contributing to our communities and satisfying our guests. I look forward to continuing this progress in 2019.

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

MESSAGE FROM DEPUTY CHIEF EXECUTIVE OFFICER

CENTARA HOTELS & RESORTS

As of 31 December, 2018, the company is operating or developing 68 hotels and resorts with more than 13,000 rooms across 12 countries. In December, an MOU was signed with a partner which paves a way to develop 5 hotels with an ambition of growing this to at least 10 hotels in the mid-term. This is in line with the target to grow the company to more than 130 hotels and resorts by the end of 2022.

In addition to this organic growth, the company is also focused on acquiring a small group as a means of expanding our geographic coverage and to accelerate growth. The 5-year plan also includes identifying and investing in new businesses that can both complement our core business and supplement revenues. Research is currently being conducted in various related, but new areas.

In 2018, research was conducted into the company's existing brand architecture and receptiveness to introduce new luxury brands. The results enabled work to be done on the brand architecture and this will be released in Q2, 2019. The new architecture will enable the company to compete at a luxury level as select existing hotels and resorts undergo major renovations and are subsequently re-launched with an upgraded positioning.

In 2019, the company will celebrate its 36th year and the flagship Centara Grand at Centralworld will itself celebrate 10 years. Coinciding with these auspicious milestones, the company is upgrading its website and mobile applications as it embraces the evolution of digital solutions. In addition, the implementation of new property management systems and revenue management tools initiated in 2018 will continue in 2019 and be completed before the end of the year.

Your support throughout these exciting times for the company is very much appreciated.



(Markland Blaiklock)
Deputy 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. The Company 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 Pcl 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.

Later on, the company listed on Stock Exchange of Thailand in 1990. Whilst 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 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, CentaraThe1, 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 receive a guaranteed 10% off the best available online rates making booking direct with Centara and also can earn double points when booking direct at centarahotelsresorts.com, fast-tracking through the Silver, Gold and Platinum Elite tiers.

The COSI concept is a hotel redesigned for a new type of modern traveller whose priorities are flexibility, connectivity, and value for money. The first COSI opened on Thailand's Samui Island last December. Following its success, Centara topped off its second COSI in Pattaya earlier this year and recently announced additional COSI projects in Krabi and Vientiane.

Centara Hotels & Resorts closed the year with a portfolio of 46 are managed, 22 are owned and 39 have opened and are operating. Out of the said 68 properties in 12 countries: Thailand, Vietnam, Indonesia, Laos, Cambodia, Sri Lanka, Maldives, China, Qatar, Oman, UAE and Turkey.

GROUP HISTORY

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.

1986

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

1990

- Listed on Stock Exchange of Thailand

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.

2016

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

2017

- Opened Centara Muscat Hotel Oman
- Opened Cosi Samui chaweng Beach

1983

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

- 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
- 1988 • Entered into Hotel Management Agreement for Central Wong Amat Beach Resort
- 1990 • Listed on Stock Exchange of Thailand
- Acquired Central Mae Sot Hotel
- 1995 • Opened Central Sukhontha Hotel, Hat Yai
- 1996 • HRH. Princess Somsawali graciously presided over the grand opening ceremony of Central Samui Beach Resort
- 1998 • Rebranded the group as Central Hotels & Resorts.
- 1999 • Opened Central Karon Village, Phuket
- 2003 • Opening of ZICO's Brazilian Grill and Bar in Samui.
- 2006 • HRH. Princess Ubonrattana graciously presided over the grand opening ceremony of Central Krabi Bay Resort on November 12, 2006.
- 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.

- 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.
- 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.
- 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
- 2011 • Acquired 11 managed hotels & resorts in Thailand
- Acquired 12 managed hotels & resorts overseas including new locations in Bali, Sri Lanka, China and Mauritius
- 2012 • Opened Centra Government Complex Hotel & Convention Centre Chaeng Wattana
- Acquired 3 management contracts in Thailand
- Acquired 2 management contracts in Vietnam and Maldives

- 2013 • Opened the second owned hotel in Maldives, Centara Ras Fushi Resort & Spa Maldives
- Opened managed hotel in Phang Nga, Centara Seaview Resort Khao Lak
- Acquired 8 management contracts in Thailand
- Acquired 2 management contracts in Ethiopia and Qatar
- 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 by Centara Avenue Hotel Pattaya
- Acquired 3 management contracts in Thailand
- Acquired 8 management contracts 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
- Investment COSI hotel in Pattaya, Thailand

- 2017 • Opened Centara Muscat Hotel Oman
- Opened Cosi Samui chaweng Beach
- Signed 1 hotel management in Thailand
- Signed 1 hotel management in Maldives
- Signed 1 hotel management in Pakse, Laos
- Signed 1 hotel management in Phnom Penh, Cambodia
- Investment 2 Centara hotels in Maldives
- Investment Centra hotel in Bangkok, Thailand
- Investment Centara Grand hotel in Samui, Thailand

2018	Open 1 new hotel in Middle East	
	• Centara West Bay Residences & Suites Doha	265 keys
	Signed 6 hotel management in Thailand	954 keys
	Signed 3 hotel management in Laos	216 keys
	Investment 1 COSI hotel in Chiang Mai, Thailand	130 keys
	As end of 2018, we own and operate 17 hotels and resorts in Thailand (15) and Maldives (2) plus 2 COSI hotels in Thailand, 1 Centara in United Arab Emirates and 2 Centara hotels in Maldives in the pipeline	5,507 keys
	For managed business, we operate 22 hotels and resorts in Thailand, Vietnam, Sri Lanka, Oman and Qatar plus 24 hotels and resorts in pipeline including Thailand, Indonesia, Cambodia, Laos, China, Qatar, Maldives and Turkey	7,970 keys
	Total portfolio 68 hotels and resorts	13,477 keys

THAILAND'S TOURISM INDUSTRY OVERVIEW

The year 2018 was expected to be a challenging one for Thailand's tourism industry as some analysts had been anticipating lower numbers because of a combination of factors, including global economic uncertainties and the rise of new competing destinations. The fears proved unfounded, however, due to Thailand's resilience and mass appeal. Thailand's tourism sector earned revenues of 2.0 trillion baht, an increase of 9.6 percent over 2017. Total number of international tourist arrivals for 2018 was 38.28 million, equivalent to an increase of 7.5 percent over the previous year.

Thailand welcomed foreign visitor arrivals of 22.6 million in the first seven months of 2018 alone, an increase of 11 percent over 2017 during the same period, according to preliminary figures tabulated by the Ministry of Tourism and Sports. Revenues rose significantly by 14.44 percent. The Ministry also revealed that, the main factor that contributed to a sizeable decrease of visitors from mainland China, Thailand's number one market, during the months of September and October was the tragic July 5th Phuket boat incident. The year ended on a more positive note with improved results in November and December from this market which can be considered an outstandingly fast recovery, thanks to the peak tourist season and the Visa on Arrival fee waived for 21 countries.

The year 2018 enjoyed a healthy growth in the number of international tourist arrivals, despite decrease of visitors from China and Oceania (Australia and New Zealand), which is promising for Thailand going forward. The strong growth is extremely encouraging, particularly the higher hotel occupancies being experienced by emerging secondary provinces. As for the Chinese market, continued observation has been made that the trend of both the free individual traveller (FIT) and group categories will be towards more sophisticated travel behaviours based on the nature of overall spending power.

Although tourism in 2018 had a steady growth, the hotel industry felt the impact from the increasing competitive climate, including from non-traditional accommodation providers such as daily-rented serviced apartments and lodgings, which created a competitive room rate situation.

Based on its trends analysis, the Ministry of Tourism has forecasted that 41.1 million people will visit Thailand in 2019, spending over 2.2 trillion baht during their stays. Direct revenues from tourism contribute approximately 12 percent to Thailand's gross domestic product, and indirect revenues push the figure closer to 20 percent.

Thailand continues to remain an attractive tourist destination, appealing to visitors world-wide and maintaining its high among the world's most visited destinations.

Reference :

- Department of Tourism, Ministry of Tourism and Sports
- Tourism Authority of Thailand
- Office of National Economic and Social Development Board

CENTARA FAMILY

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



CENTARA GRAND
HOTELS & RESORTS

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

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
RESIDENCES & SUITES

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.



Centara
BOUTIQUE COLLECTION

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

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

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



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 The1

With Centara's loyalty programme, CentaraThe1, 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.centarathe1.com

PERFORMANCE HIGHLIGHTS

At the end of 2018, Centara Hotels & Resorts operated 68 owned and managed hotels, with 13,477 rooms under six brands, specifically Centara Grand, Centara, Centara Boutique Collection, Centara Residences & Suites, Centra by Centara, and COSI.

Revenue from our hotel business in 2018 was 9,764 million baht, which when compared to the revenue earned in 2017 represented an increase of 4.3 percent from our 17 company owned hotels, whilst revenues from hotel management fees was 225 million baht, an increase of 1,432 million baht or 11.4 percent in net profit over the previous year.

Contributing factors that affect the overall performance include visitor numbers, management costs, economic conditions in the countries that are our primary markets, supportive measures of the travel industry in the countries that are our competitors, and factors specific to the location of each hotel.

The boat tragedy in Phuket in July 2018 was Thailand's worst tourist-related disaster in years. As a result, the number of Chinese tourists to Thailand dropped by 8.8 percent and 10.5 percent in the third and fourth quarters, respectively. This had a negative impact on the tourism industry in Thailand overall, including the performance of Centara Hotels & Resorts, in 2018, especially properties in cities outside of Bangkok.

Company invested hotels in Phuket were also impacted by the decrease of visitor arrival numbers from China, as well as the decline of tourists from the European market in the months of June and July due to the Russian World Cup. The United Kingdom market also experienced a drop in numbers due the growing concerns over Brexit and the drop in currency of the sterling pound. In spite of the decrease in total revenue compared to 2017, the Company was able to maintain an occupancy rate at 80 to 90 percent.

Although affected by the decline of both Chinese tourists and visitors from Russia, Centara Grand Mirage Beach Resort Pattaya was still able to perform well in 2018 with a slight increase in occupancy rate of 85 percent with total revenue of 1,191 million baht, representing a 1.0 percent increase over 2017.

2018 was a challenging year for our hotel group in Koh Samui, due in no small part to the closure of 36 rooms for major renovations – the start of a full-scale upgrade to Centara Grand Beach Resort Samui after twenty three years of operation. This resulted in a decrease in total revenue compared to last year, however the hotel still managed to achieve an occupancy rate of 83 percent due to the increase of business from Israel and Russia. The hotel locations that fulfilled the requirement of the market were Chaweng and Fisherman's Village, which appealed to visitors due to convenient access to shopping facilities, local eateries and entertainment. German and Australian markets increased from 2017, slightly compensating for the decline of visitors from China and the United Kingdom.

COSI Samui Chaweng Beach was still in ramp up stage as it entered its first full year of operation and was not helped by reduced and cancelled flights of three airlines operating from

China. This impacted room nights from Chinese guests, as well as flight crew. The second half of the year was very strong as the product matured and awareness increased. The hotel received recognition with the 10th Annual Gold Circle Award awarded by guests of Agoda.com, which is a clear indication of how well the product has been received in the market and the high service quality standards guests can expect.

Centara Grand Beach Resort & Villas Krabi, meanwhile, performed admirably well in the first and second quarters with great help from an extended winter in Europe, however, it was not immune to the negative downturn after July when the boat tragedy occurred, resulting in cancellations of rooms from the Chinese market. The property, however, was able to bounce back and managed to achieve an occupancy rate of 83 percent achieving a total revenue of 561 million baht, representing 1% increase from 2017.

In 2018, Centara Grand Beach Resort & Villas Hua Hin retained its number one position in RevPar among its Hua Hin competitors, having generated total revenue of 636 million baht, an increase of 4.0 percent from the previous year. Despite distinctive competition with increased market share from international brands such as Marriott, Intercontinental, Hyatt and Hilton, the hotel remained popular with the domestic market. The hotel was also listed among Asia's "Top Heritage Hotels" by CNN, which was one of only two hotels from Thailand to receive this prestigious honour.

In Thailand's capital city, Centara Grand & Bangkok Convention Centre at Central World, performed exceptionally, having achieved an all-time record high in revenues for rooms, food & beverage and conventions. In 2018, the hotel earned 1,867 million baht, which was 17 percent higher compared to 2017.

In addition, 2018 saw the company's first full year's operation of Centra by Centara Government Complex Hotel & Convention Centre Chaengwattana since its acquisition at the end of November 2017. The hotel enjoyed increased business from government activities, resulting in an occupancy rate of 84 percent and total revenue of 314 million baht, equivalent to 3.2 percent.

In regards to Centara Hotels & Resorts properties overseas, although affected by the State of Emergency in the first quarter, which resulted in a decrease of visitors from China, as well as the baht appreciation against the U.S. dollar decreasing the value of the Thai baht, properties in the Maldives still enjoyed an 84 percent occupancy rate. Coupled with a 0.4 percent increase in average room rate this translated to RevPar growth of 2.8 percent over prior year in US dollar terms.

Centara West Bay Residences & Suites Doha is the newest operating property in the group's portfolio having opened its doors to guests in December 2018. Doha is the capital city in Qatar, and has emerged as the Pearl of the Middle East. The city is set to host the FIFA World Cup in 2022. With its thriving art scene, gravity defying architecture and cultural attractions, we expect to reap the rewards of a greater number of visitor arrivals in 2019.

BUSINESS DEVELOPMENT

BY CENTARA INTERNATIONAL
MANAGEMENT (CIM)

2018 was an excellent year for Centara Hotels & Resorts during which we continued our business expansion in Thailand and other Asean Economics Community (AEC) countries. Last year, Centara managed to secure 10 more projects through direct investment, HMAs and MOUs to develop hotels and resorts in Phuket, Bangkok, Krabi, Korat, Ubon Ratchathani, Vientiane and Luang Prabang, which will add another 1,300 keys into our pipeline. Centara Hotels & Resorts closed the year with a portfolio of 68 properties in 12 countries: Thailand, Vietnam, Indonesia, Laos, Cambodia, Sri Lanka, Maldives, China, Qatar, Oman, UAE and Turkey.

Out of the said 68 properties, 46 are managed, 22 are owned and 39 have opened and are operating. Further details regarding the growth of Centara Hotels & Resorts in 2018 in terms of new investment and management agreement projects are set out below:

(A) 9 NEW HOTEL MANAGEMENT PROPERTIES:

Thailand

- Centara Hotel and Convention Centre Phuket Central Floresta (120 keys)
- Centra by Centara Hotel Bangkok Suvarnabhumi (180 keys)
- Centra by Centara Hotel & Residences Korat (200 keys)
- Centra by Centara Hotel & Residences Ubon Ratchathani (158 keys)
- COSI Krabi Ao Nang Beach (146 keys)
- COSI Phuket Central Floresta (150 keys)

Overseas

- Centara Grand Luang Prabang
- Centra by Centara Hotel Luang Prabang
- COSI Vientiane Nam Phu

B. 1 NEW INVESTMENT PROJECTS APPROVED:

- COSI Chiang Mai Ta Pae Gate (130 keys)

In line with Central Group's strategy, for 2018 we further focused our expansion on Asean Economics Community (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 a year of two contrasting halves, changing travel patterns from key source markets and political and economic uncertainty in some quarters, Centara Hotels & Resorts' business performance remained robust. A record first quarter driven by buoyant domestic and international tourism across both the leisure and MICE segments, as well as strong rate management, laid the foundations for a positive year in which the business recorded significant year on year revenue growth.

Total revenues for 2018 were 9,364m Baht (excluding other income) representing a 5% growth over 2017. Room revenue, which contributed 61% of total revenue, was driven through an occupancy level of 81.9%, average room rate of 4,620 Baht and RevPar of 3,786 Baht. Food and Beverage contributed 24% of total revenue and enjoyed a 4% increase over prior year whilst the spa also saw a 2% growth, supported by the implementation of online treatment booking technology. It was the Convention Centre business which witnessed the biggest growth however at 84%, a record year in which it contributed 797m Baht to the top line and 71% of the group's total year on year revenue growth. This was a welcome positive rebound for the group's MICE business following a challenging couple of years. Other notable growth contributors were the continued maturing of Centara's first COSI-branded hotel and the acquisition of Centara by Centara Government Complex hotel in Bangkok which is now under Centara ownership.

One of the key factors in the positive business performance is Centara's commitment to diversifying its geographic guest mix, market segments and product offering. In having a broad brand portfolio that appeals to a multitude of domestic and global markets, and a focus on both leisure and business travellers, the group is able to mitigate the risk of market volatility in individual sectors or regions and replace business from new audiences and markets.

As such, 2018 was a positive year despite several challenges. There were downturns in business from the Chinese market – an effect primarily of the Phuket boating tragedy as well as government bans on travel to the Maldives imposed early in the year – and several European markets including Russia and the UK. Europe enjoyed record summer temperatures for a prolonged period, which coupled with the World Cup in Russia led to a reduction in travel over their key holiday months, whilst economic uncertainty surrounding Brexit also continued to affect the UK market. Meanwhile some destinations struggled to perform as well as they have in previous years, with the China effect hitting Phuket particularly hard, as well of course as the Maldives, and difficult and high-cost access offering a challenge to Samui.

Whilst some markets suffered however, effective sales and marketing strategies ensured that there was significant growth from burgeoning markets such as Malaysia, India, Israel and South Korea (the latter supported by a sales and marketing roadshow in key Korean cities), and where destinations such as Phuket felt the pain of the China slowdown, others, namely Pattaya and Bangkok, were able to offset the downside through record performance.

With high occupancies for the majority of the year across all Centara properties, a heavy impetus has been placed on effective yield management to ensure an optimal rate and channel mix. In the middle of 2018, the anticipated rollout of the new Centara technology architecture commenced which includes a total upgrade to the group's property management, central reservations and revenue management systems. The benefits include operational efficiencies, systems automation, improved customer data management and most importantly, more effective revenue optimisation. The implementations at Centara Grand & Bangkok Convention Centre at CentralWorld and Centara Grand Mirage Beach Resort Pattaya were completed and it is no coincidence that these two properties both experienced solid RevPar growth, with CGCW enjoying a 7% increase versus prior year. The rollout continues and all properties will have migrated to the new platform by the end of 2019.

Channel optimisation is another key strategy and effective digital marketing, ecommerce and website management efforts returned a 12% increase in Centara's direct website (CHR.com) revenues versus prior year. Increasing the share of revenue from this highest yield, lowest cost channel drives increased profitability and remains a core business objective. 2019 will see the redevelopment of the entire Centara digital web experience – desktop, mobile and application – which will be a key contributing factor in this continued growth. Core to the success of this project will be the ability to deliver a personalised and relevant experience for diverse customer audiences, something at the heart of Centara's service ethos. In 2018 for example, in order to better serve and optimise the customer experience for Chinese guests, Centara began accepting WeChat pay online. This perfectly complemented the on-property WeChat Pay acceptance which was also launched, making Centara the largest hotel group in Thailand offering Chinese tourists omni-channel payment solutions. Ali Pay will be added to the list of accepted payment methods in the near future too.

By the end of 2018, the total number of hotels either operating or under development reached 68, a 17% year on year increase and evidence that the vision to grow the portfolio to 134 properties by 2022 is well underway. 2018 saw the rise to prominence of the group's newest brand COSI, one of the biggest growth brands for the future and the launch of its first Qatar property, Centara West Bay Residences & Suites Doha, both of which were subject to heavy international advertising and PR focus. With aggressive expansion plans comes the need to ensure a vast and diverse customer base, strong brand awareness in existing and prospective source markets, and a robust brand platform to support development. Centara attended all major international trade fairs in 2018, including WTM in London and ITB in Berlin amongst others, and hosted a China Showcase in Thailand for all major Chinese agents and business partners. Key executives attended all events and gave numerous media interviews to enhance the company's global presence. Additionally, working with a newly appointed global Public Relations agency spearheading the focus on international trade and consumer media coverage, a total of 2.6bn Baht media value was garnered.

Concurrently, the group's corporate mission and vision was redefined and a new brand architecture developed, informed by an in-depth cluster research study. The new brand architecture will be launched in 2019 and will include a redefined brand story and slogan, greater distinction and clearer identities for the six Centara sub-brands, and the addition of new brands in the luxury and wellness spaces. This new brand framework will enhance customer perceptions and experience, provide an improved platform for development and growth, drive employee culture and further reinforce Centara Hotels & Resorts' positioning as the leading global hospitality group of Thai origin.

Complementing the need to build the brand and drive awareness amongst new customers is the ongoing focus on driving increased loyalty from existing clients. Returning customers spend on average 1.3 times more than first time customers and become loyal brand advocates for the group. With a focus on effective customer relationship management, specifically through the Centara The 1 loyalty programme, guest retention levels increased from 19% to 22% in 2018, which means 22% of all guests will have stayed at the hotel at least one other time within the past three years. The larger the loyalty database the greater the opportunity for customer engagement and the member database increased to 1.2m emailable members in 2018, up from 784k in 2017, thanks to the strategic alliance with Central Group's The 1 programme. The focus for 2019 is to identify a company-wide CRM solution to unite all data sources and create a single customer view beyond the loyalty programme. The completion of the aforementioned Centara technology architecture will pave the way for the launch of a CRM platform that will further enhance the company's strategic acquisition, retention and customer experience capabilities.

2018 was not a year without challenges but the positive results and company performance demonstrated both Thailand's continued resilience to often unpredictable market conditions and Centara's dynamism in reacting to changes in market trends, travel patterns and destination demand. The combined sales, marketing and revenue strategies ensured a successful year for Centara and the foundations have been laid for even greater success in the coming years thanks to the technology and brand infrastructure being instilled at the heart of the organisation.

RESTAURANT BUSINESS OVERVIEW





MESSAGE FROM **PRESIDENT**

CENTRAL RESTAURANTS GROUP Co., Ltd

In 2018, Thailand's overall economic growth displayed a promising upward trend with a more expansive consumer foundation as a result of the economy's improved total income base in general. However, the Company is still facing continuous challenges due to decrease of purchasing power of consumers in the fiercely competitive climate at present.

For this reason, the Company has therefore taken steps to focus on increasing efficiency in all aspects and controlling costs and expenses on a continuous basis, as well as creating and developing strategies to remain relevant in the restaurant chain business, such as introducing new and diverse menus in order to offer new experiences for customers. The Company is always striving to meet the demand of consumers in every aspect and on every occasion, whether they be quick service that is convenient and filling, meals to reward themselves, socialising with friends or family gatherings. In addition, comprehensive sales promotions are implemented to reach target customers. The utilization of technology enabled the Company to increase customer service efficiency, as well as reach the needs of the rapidly changing lifestyle of customers at all levels.

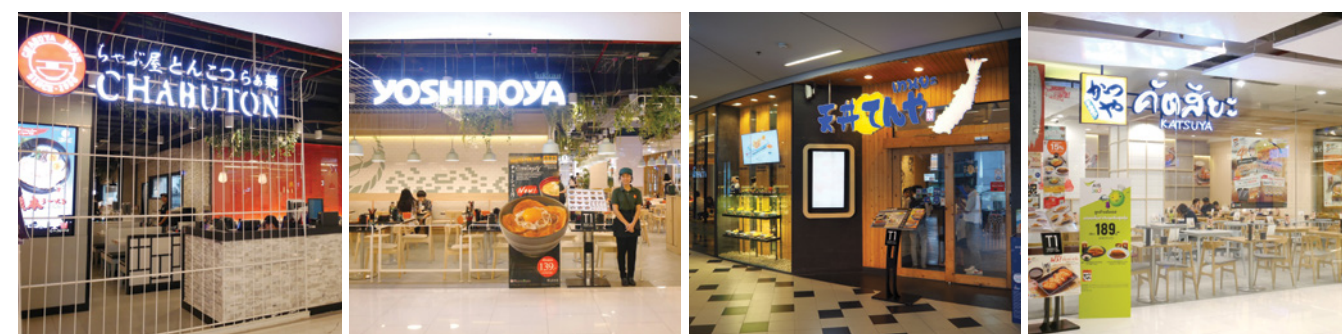
Moreover, the Company is taking into consideration various factors such as main target group, pricing level and consumer behavior of respective locations in the upgrading projects of existing stores with trendy décor. This applies to new branch expansions as well. In addition, opening branches in the form of Kiosk, Standalone and having brands within the Company's Portfolio operate in rising growth areas such as hospitals, office buildings, petrol stations, etc. maximizes the opportunity to reach wider consumer groups.

In 2018, Central Restaurants Group Co., Ltd. or "CRG" achieved sales of 12,004 million baht which was 9.2 percent over the previous year, with a net profit of 745 million baht, a 5.7 percent increase from 2017. With 91 new branches, Central Restaurants Group Co., Ltd. currently has a total of 956 branches.

On behalf of the management of Central Restaurants Group Co., Ltd., I would like to thank all shareholders, partners and customers for their trust and continued support for the company's operations. I would also like to take this opportunity to express my gratitude to employees of the Company who have demonstrated their dedication through hard work, both physically and mentally. Their commitment led the path towards the Company's success in spite of extremely competitive conditions, high technology industry and economic slowdown.

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

RESTAURANT BUSINESS GROUP HISTORY



Central Restaurants Group Co Ltd (CRG) is one of the leaders in Thailand's chain restaurant industry, established in 1978 with the intention and vision to respond to Thai customers' daily needs with quality food products and excellent services. We have devoted ourselves constantly to creating quality products along with ensuring restaurant decor is fresh and modern, and that the ambience befits customer behaviour patterns. CRG is above all committed to operating our 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 membership scheme.

CRG is thus a franchisee with long expertise and experience of over 40 years in the management of the quick service restaurant (QSR) business, is well accepted by the franchisors, and has a multi-brand portfolio that covers a great variety of food types. As of December 2018, CRG has a total of 956 restaurants nationwide.



RESTAURANT BUSINESS OVERVIEW

It is estimated that the restaurant business market in 2018 in Thailand earned a total of approximately 411,000 - 415,000 million baht, with a growth rate of 4 to 5 percent over the previous year. The increase derives from branch expansion and product price adjustment, in part as a result of cost driven rental space in potential locations, as well as labor costs. This forced restaurant operators to set higher food prices to cover various increases.

In the year 2018, the expansion of the restaurant chain is also a strategy that restaurant operators place most priority on. Therefore, the challenge for entrepreneurs is the selection of locations for branch expansion which must be an area that will attract new customers and not affect the revenue of the original branch. Expanding to new locations where the competition is not as intense while the rental rate is not very high as well is a sound strategy.

In addition, the expansion in numbers of cafes, coffee shops and co-working spaces reflects the trend of spending on sweets, snacks and beverages, including the choice of ordering delivery food which is extremely popular. As a result, the spending on food and beverages by Thai consumers is spread out to entrepreneurs of cafes, coffee shops and co-working spaces, including the rising delivery businesses, which are major challenges for today's restaurant operators.

BUSINESS AND COMPETITION SITUATION

According to a research conducted by Euro Monitor, it was discovered that “food expenses” are by far the most spending category in Thailand, accounting for 21.2 percent of expenditure. Consumption by Thai people does not consist of merely three main meals per day, but on average in one day, they consume up to seven meals : morning, late morning, noon, afternoon, late afternoon, evening, and late night, combining main meals with secondary meals or snacks. Four major trends reflect the changes that have occurred in this era which directly relates to “food business” must be adjusted, including.

1. Urbanization - Changing lifestyle or eating and living behavior of Thai consumers, with people increasingly residing in condominiums in the city who purchase smaller pack sized products.
2. Healthy Lifestyle - Thai consumers now pay more attention to health by both exercising and the selection of quality food to meet their health standards.
3. On the Go - Thai people spend more time outside the home, resulting in the demand of products that meet their convenience, are fast with quality acceptable by consumers.
4. 24/7 - 24 hours a day and 7 days a week availability as a result of the digital age enabling people to connect at any time. Restaurants that operate 24-hour delivery service is the answer to today's consumer.

Entrepreneurs of both chain restaurants and general restaurants are obligated to adjust their strategies to respond to the rapidly changing customer behavior by creating new products that are different, as well as providing healthy food product options. New types of restaurants are being introduced such as Standalone format, in order to extend the operational hours or Kiosk to reduce the cost of renting space, as well as utilising digital tools to quickly and easily reach customers to meet the demand of the specific lifestyle of consumers in the modern age.

PERFORMANCE HIGHLIGHTS



In 2018, the overall economic growth rate of the country was not particularly outstanding, but the trend has started to see a rise in future. Central Restaurants Group Company Limited (“CRG”), achieved a total revenue of 12,004 million baht or an ascent of 9.2 percent from last year. The revenue growth in 2018 was mainly due to branch expansion. At the end of 2018, CRG has a total of 956 branches which represents a net growth of 67 branches or 7.5 percent from the previous year. Same-store sales (“SSS”) revenue growth, meanwhile, increased slightly at 0.1 percent. At present, CRG has a total of 11 brands under management.

With regard to 2018 profit margins, CRG had a total profit of 745 million baht, equivalent to a growth rate of 5.7 percent. The growth resulted from more efficient cost management, especially on the part of staffing cost and efficient purchasing management. Despite the fact that the competition will be more assertive, coupled with higher promotion costs in future, CRG continues to aggressively focus on branch expansion and select areas to suit clientele of each restaurant brand in order that the restaurant business will be lucrative in earning a steady profit growth for the Company.

CRG is committed to participating and aiding our society constantly. The Company has already been recognised as the organisation that supports outstanding work for the disabled for 5 consecutive years (from 2014-2018), awarded by projects within the organisation that support special employees. These activities include :

- Relationship activities for special employees group which was initiated in 2012 up to the present, in order to promote and improve the quality of life for special group employees, both in the work place and in society.
- Sending staff to receive sign language training for effective communication with special group employees.
- Invitation for a sign language interpreter to participate in the meeting in order for special employees to understand the direction of the business and enable them to communicate or exchange ideas in the meeting.
- Arranging training courses both inside and outside the organisation to enhance capacity, knowledge and understanding of the special employees' abilities.
- Providing equal opportunities for career growth for all employees.

CENTRAL RESTAURANTS GROUP FAMILY

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



MISTER DONUT

Mister Donut is committed to the constant creation of new products under efficient marketing communications, thereby reinforcing brand awareness. Strategic advertising plans are continuously outlined to reach consumers effectively, and continued branch expansion is undertaken across the country to gain the greatest possible access to consumers. These efforts have resulted in Mister Donut's popularity being ranked first place in the donut category in Thailand by Marketeer Research in 2018. Mister Donut has also maintained the highest market share of more than 50 percent over the past 40 years. Resulting from extensive research and consumer analysis, Mister Donut is able to directly respond to consumer demand by creating freshly made donuts from its kitchen branches throughout the country. Mister Donut is ready to serve freshly made delicious donuts every day. Throughout the past year, Mister Donut concentrated on "Innovative Donut" concept with emphasis on value and new product development. The Hot Donut campaign is one such example to reinforce the freshness of Mister Donut, through more than 200 kitchens nation-wide.

The "Summer Fruity" campaign was introduced where donuts were created in various shapes and flavors such as citrus, watermelon, banana, and mangosteen which had a positive reception amongst consumers, with encouraging all around support from the media. Mister Donut also discovered that consumers favoured the product Pon De Ring Lite 2, its healthy donut option made from mixed grains and quinoa, with the sugar content reduced by 25 percent (compared to normal toppings) yet they remain tasty and soft in the uniqueness of Pon De Ring style.

Mister Donut ended the year with "Donut Line Friends", a cute campaign portrayed by popular characters adapted from the popular Line Friends such as Coney the Brown Bear and

Sally, combining them with delicious flavors. In addition, Mister Donut has also taken into account social responsibility by having participated in the sale of donuts at the Power of Pink project, with a portion of the proceeds donated to Pink Park Village, the center for last stage cancer patients, under Queen Sirikit Centre for Breast Cancer Foundation. Aside from donuts, Mister Donut has responded to the needs of coffee lovers by offering freshly brewed Premium Blend coffee. This rich coffee blend is freshly prepared with fresh milk and served during special promotions at Mister Donut Cafés.

A number of factors during 2018 affected 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 opened an additional 21 new branches nation-wide, coupled with renovations undertaken to give the existing stores a more modern appearance, which provided a more comprehensive coverage and accessibility to consumers. There are currently a total of 357 stores covering 75 provinces. Advertising remains placed on both above the line and below the line segments. Focus has been on digital media this year with communication via digital channels, including news and promotion awareness. Mister Donut is always quick to communicate with consumers and constantly keeps up 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), Line Official Account, Twitter and Instagram to maintain first place in the hearts of consumers and create long-lasting brand loyalty. Mister Donut has also launched promotional campaigns in conjunction with various partners to strengthen brand awareness.



KFC

KFC is one of the largest and most popular QSR brands globally. Founded by Colonel Harland Sanders in 1952 with the commitment to cook and deliver tasty fried chicken menus, KFC has gained acclaim from fried chicken lovers in Thailand for its unique recipe and quality. The first KFC store was established in 1985 at Central Ladprao. Currently, there are 700 KFC stores nationwide (*data as of December 2018).

The KFC brand and franchises are under the management of Yum! Restaurants International (Thailand) Co., Ltd. KFC restaurants are managed by three franchisees, however, Central Restaurants Group Co., Ltd. was the first partner to introduce the KFC brand to Thailand and has since expanded rapidly throughout all the regions of the country. Currently, there are 258 KFC stores managed and operated by Central Restaurants Group Co., Ltd. (*data as of December 2018).

The KFC brand in Thailand has ranked number one in QSR and continues to grow expeditiously by CRG, accelerating KFC's growth with the opening of 22 branches, divided into 19 KFC general stores, 1 delivery/carry out and 2 drive-thru branches. In addition, the Company also aims to develop in-store operational systems through personnel and technology by taking into account the highest satisfaction for service recipients.

In 2018, the KFC brand received recognition by receiving a host of awards in 2018, including the No. 1 Brand Award in the QSR sector ranked by Marketeer Magazine and Brandage, the Most Brand Engagement on Social Media Award in Food Retail Group from Thailand's Zocial Award 2018, Best CSR Award - Gold level by AMCHAM, Top Ten WOM (Word of Mouth) Award - amongst Gen Me (ages 18-34 years) in Thailand, awarded by YouGov and again ranked No. 1 in the Heavy Food Group by Food Tracker.

KFC remains committed to presenting innovative food menus with uniqueness, quality and safety in accordance to world-class standards. The brand is also devoted to developing the quality of staff to ensure that they provide the most efficient and warmest



service hospitality to customers both in-store and delivery, through the Call Centre 1150 and the www.kfc.co.th. Detailed information and updates on KFC Thailand may be accessed at www.kfcthailand.com.

AUNTIE ANNE'S

In 2018 Auntie Anne's continued to meet the demand of consumers of all sectors by launching new products, amongst them Holy Cheese Pretzel, Carbonara Ham Cheese Pretzel and Viva Mexican Pretzel (Viva Mexican Pretzel Dog) which is a pretzel with a mixture of seasoned minced chicken, chicken ham, sausage, BBQ chicken and authentic cheese imported to appease lovers of cheese, as well as freshly made-to-order healthy beverages such as Blue Angel Lemonade and a colorful spin on Dutch Ice named Icy Viva.

Auntie Anne's marked its 20th anniversary milestone in 2018 with the "Living Young" theme....fulfill your every moment of happiness at Auntie Anne's.

In 2018, Auntie Anne's was guaranteed world-class franchise brand name having received the award of 'Franchisee of the Year' from FOCUS Brands International, the most coveted annual prize for franchise brands. A number of factors were taken into consideration namely sales growth, branch distribution, standardisation of storefront operating systems and regularly presenting new products. Auntie Anne's Thailand was ranked No. 1 from 52 countries and over 5,000 branches worldwide. Additionally, Auntie Anne's expanded into new sales channels such as catering and delivery, along with effective advertising through various mediums, continuous joint promotions with related business partners to expand customer base and corporate social responsibility activities among club members to promote brand loyalty. Auntie Anne's brand was ranked in 8th place by Food Tracker in the snack category.



OOTOYA

Ootoya is a premium Japanese food brand under the concept of Japanese Home Cooking Style Restaurant which corresponds with the Company's operating philosophy of being committed to promoting health through quality of food and services to benefit customers to the maximum. Ootoya has more than 350 branches in Japan and over 90 overseas branches, such as Thailand, Singapore, Hong Kong, Indonesia, Taiwan, China and the United States. In 2018, Ootoya developed a Seasonal Menu in addition to a Grand Menu to offer more variety, maintaining high standards and flavour of Japanese cuisine. To reinforce the distinctiveness of Japanese Home Cooking Style Restaurant and achieve a wider customer base, another effort of the brand is the communication with its customers through advertisements in different channels such as signboards, digital advertising signboards, and social media. Ootoya also ran mega campaigns by cooperating with major partners such as bank groups and The1. In addition, there are plans for expansion of stores in Bangkok and major cities to reach more customers. At present, Ootoya Restaurant in Thailand has a total of 43 branches and plans are under way to expand its home delivery and catering services, in order to cover more areas in Bangkok and other major cities.

The Ootoya brand has been ranked 5th by Food Tracker in the Japanese food category.



PEPPER LUNCH

In 2018, Pepper Lunch, the Japanese style hot iron plate steak restaurant has a total of 39 outlets, including the opening of two new Express Plus stores at Robinson Ratchaburi and Thammasat Chalerm Phra Kiat Hospital, representing a new format of a simple shop style with menu prices that are more affordable than the normal restaurant. This enables Pepper Lunch to expand the customer base. In the past year, Pepper Lunch has added more appetizers to the menu such as French Fries, Onion Rings, Mushroom Soup in addition to introducing new menu items such as Pork Jumbo Rice, Pasta with Salted Egg Sauce, Pasta with Bacon and Dried Chili Sauce and, last but not least, Mexican Barbecue Steak which received more favorable response from consumers than was anticipated in the target sales.

In terms of product quality, Pepper Lunch still emphasizes the quality of the main menu of Beef Rice, with top quality beef fed with maize and 100% imported from the U.S.A. resulting in the aroma and flavour. As for the Premium Steak which utilises beef imported from Australia, it continues to be popular amongst true beef lovers.

Pepper Lunch continues to reinforce its image of being the brand that delivers quality food at a cost effective price, and constantly responds to the needs of teenagers and young working adults with Student Meal sets and Happy Time sets respectively. In addition new promotional menus in 2018 were developed, the most recent being Japanese curry rice hot dishes. There are four selections from this menu : U.S.A. imported Beef Curry Rice and Eggs, Ham Curry Rice and Egg, Chicken Curry Rice and Egg and Pork Curry Rice and Egg. Creation of the brand image and publicity has been continuously carried on through joint promotional campaigns with trading partners, conducting activities with customers through Facebook and Line, and public relations through online media. Pepper Lunch brand was ranked 8th by Food Tracker in the heavy food category.



OTHER BRANDS

In 2018, CRG has expanded the number of stores and relocated some of the 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, Katsuma, Tenya and Cold Stone Creamery. The Thai food brand, The Terrace, has made developments to reach Thai food lovers with authentic Thai flavors under the concept "The Terrace Touch of Thai", influenced by Thai heritage through food culture, passed from generation to generation for over 40 years. With the opening of 11 new stores, the number of stores currently total 102 branches in 2018.

BUSINESS DEVELOPMENT

2018 marks another year of rapid growth and continued expansion of e-commerce worldwide, as well as changing consumer behavior. Consumer demand is limitless which significantly affects the overall retail business. Location and size factors for many businesses are no longer competitive advantages as consumers now have access to products from the online world. In order for businesses to survive in the both the near or remote future, global retail business operators must adjust their investment format to constitute serious long-term growth.

Back in the home front, Thai entrepreneurs are quite steady as they have regularly conformed to the current situation. In 2018, a substantial number of business developers of shopping centres and commercial real estate in Thailand, have not only gradually added online channels to increase the proportion of income from e-commerce that is likely to grow at an accelerated rate, but have also continued to make investments to increase space for branches continuously in both mixed-use development and “retail-tainment”. In addition, various shopping centres faced with challenges from the increasing role of e-commerce have been forced to adjust their management strategy by adapting smaller-scale proportions of new store zone areas in each category.

“Restaurants are magnets enticing people to shopping centres.” Various shopping centres have come to realise the importance of being a food destination and have therefore increased the proportion of restaurant areas by replacing some fashion clothing and furniture zones with restaurants, which has proven popular amongst consumers. Some areas have also been allocated to business or events such as Edu-Zone for children or Co-working Space Zone for the working age people, etc. In terms of modern trade such as Hypermarket, despite restrictions on business expansion from official city planning laws, the modern trade has developed a new platform enabling the expansion of branches to create long-term growth and widen customer base in Bangkok and secondary cities, thereby supporting business opportunities from changes in urban society by opening new retail space to support the anticipated purchasing power in future.

In the year 2018, to support the lifestyle of consumers, Central Restaurants Group Co., Ltd. has made major investments in various forms. For Bangkok, the Company continues to focus on expanding its business to major shopping centres, along the sky train and subway lines, as well as other types of retail such as in office buildings, gas stations, hospitals, exhibition centres, etc. New store formats such as Cafés, Pop Up Stores, Food Trucks, Drive Thrus or small shops in the business district (City Store), support the digital lifestyle that requires smart work with Bangkokians who rely on smartphones or notebooks, similar to co-working space (power plug service, USB socket, wi-fi signal), are included in the company's branch expansion plan to cover every lifestyle, including business meetings or meetings within a group of friends.

For branch expansion in other provinces, the Company focused on opening new branches in major and secondary cities outside of Bangkok with continuous growth of city communities and expansion of major transportation routes. These areas are known as special economic areas.

As a result, the Company added 91 branches, with a total number of 956 branches (as of December 31, 2018) nationwide, a growth of 7.6 percent over 2017.

In preparation for the future, proactive expansion of restaurant branches is becoming more necessary. In addition to a sufficient number of branches to adequately meet customer demand, retail businesses must consider approaching consumers directly (not waiting for consumers to come to the store). In addition to re-sizing some branches to reduce the cost of distribution while still providing services covering all areas, the Company also plans to develop a new restaurant business expansion model for mass marketing appeal rather than marketing customization. The Company also plans to make changes from its original physical location to be based on digital location, for consumer accessibility to products and services covering every step (Journey) and all channels (Touch points), focusing on online presence, hence increasing channels of connection for customers via Search Engine, Facebook, Website etc.

Service technology that meets the demand of present-day consumers, connecting the service at the store with online channels, without restrictions on physical product, place and access, such as Omni-channel platform and Air Space Platform, developed in conjunction with the normal branch expansion of the company, allows the Company to increase sales and create engagement, responding to the consumer behavior trend of purchasing online.

Branch expansion by the Company involves careful consideration of the store location suitable for each food brand. Equally important is securing more prominent store locations than those of the competitors. Technology and innovativeness were applied in the expansion of normal branches to ensure that there are no restrictions in response to consumers, whose needs the Company never lose sight of. The restaurant business of the Company will be successful in gaining profit from the business operation and asset management generating rapid and most cost-effective returns. The new restaurant business must also receive excellent feedback from consumers similar to or better than last year's.



CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT



CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT

Central Plaza Hotel Public Company Limited is committed to business growth while meeting the organization’s goals coupled with ethical business practice standards, social responsibility, and reducing environmental impacts. Innovative business was applied in order to be more competitive and in leading the organization and society to sustainability, covering economic, social and environmental dimensions. Since 2008, the Company has initiated various innovations to be utilised in the organisation to create effective products and services that meet the needs of customers. This includes developing personnel in the organisation, creating community development activities, protecting the environment through energy and waste water management and safety considerations. The Company also works closely with employees, executives, customers, partners and cooperates with the community to support operations and create sustainable business growth in the long run. Proof of our commitment to conducting our business to be a sustainable organisation is that it been selected from the Stock Exchange to be in the list of sustainable stocks with Thailand Sustainability Investment 2018. Moreover, our commitment to outstanding environmental performance has resulted in 15 Centara Hotels and Resorts receiving gold and silver certificate awards from Earth Check, the world’s leading specialist for environmental impact assessment for organisations in the tourism industry. In addition, commitment to help and support the community and society by Central Restaurants Group was also awarded “the organisation that best supports disabled people in 2018”, for the fifth consecutive year, along with the Centara Grand Beach Resort and Villa Hua Hin.

HOTEL BUSINESS

VISION	MISSION
To be the leading global hospitality group of Thai origin	To provide locally-relevant, Thai-inspired experiences in each of our global destinations, delighting guests through a blend of innovation, authentic family values and the unique passion of Centara’s people, whilst maintaining a commitment to sustainability

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.



Corporate Value

As one of the companies of the Central Group, we adhere to the principles of organisational culture creation, expressing how the business operates in harmony with employees, customers, business partners and communities under the I-CARE concept that is integrated with business practices as follows.

Innovation: creating and implementing new ideas - because we care about us. This covers all occasions and challenges for more efficiency in work.

Customer: caring for the customers - because we pay attention, we therefore strive to develop services to standards of excellence by focusing on and paying careful attention to customers.

Alliance: advances both business groups - because we pay attention, we therefore respect the values and our differences to be able to work together as a team to advance the entire business group.

Relationship: reliability – because we care for fellow employees, partners and society for sustainable development.

Ethic: aiming to maintain ethics - because we care. We aim to apply ethics in business.

Business Objectives

The Company has set a framework for business operations in both the hotel and food businesses to create sustainable security for the business in a 5-year period plan. The hotel business has established a business growth strategy to allow Centara Hotels and Resorts to take on a prominent role in the region under the business framework as follows - expanding the current investment portfolio to double, pioneering and seeking new business opportunities and building important infrastructure.

The food business has established a business growth strategy in moving forward to become the King of Restaurants with a strategy to expand branches in the country and overseas, as well as develop a central kitchen system to support growth, control costs and quality of food.

Guidelines for Sustainability Reports

About this Report

Central Plaza Hotel Company Limited has prepared a Sustainability report which is part of the annual report each year, in order to present the performance of sustainable development to all stakeholders to acknowledge, covering all dimensions of sustainability, namely economy, society, environment and good governance. The information presented is from January 1, 2018 to December 31, 2018. The Sustainability Report of 2018 has been prepared based on the guidelines of the Stock Exchange of Thailand and environmental management standards for sustainable tourism (Earth Check), as well as linking the sustainability operations of the organisation in response to the Sustainable Development Goals (SDGs).

Scope of the Report

The sustainability report presents the operational data of the year 2018 covering the hotel and food businesses under the name of Central Plaza Hotel Public Company Limited, which operates in Thailand and abroad, by storing environmental information of the business, using the information collected and according to the Earth Check standards of 18 hotels and 11 food brands.

Credibility of the Report

Top executives of each business group carefully reviewed the 2018 Sustainability Report, to ensure that the information is complete, accurate and comprehensive in response to the needs of all stakeholders.

Should there be enquiries or suggestions, please contact Sustainability Development Unit, Central Plaza Hotel Public Company Limited at Tel. 0 2769 1234

Sustainable Development Goals (SDGs)

In 2018, the Company focused on business to support and link sustainable development goals (SDGs) to business processes in the following important issues.

SDGs / Target	Project/Operational Method	Performance
 Target 2.1	Food donation programme for the poor through Thai Harvest SOS organisation.	To reduce the amount of waste that is left behind, however, is beneficial and provides happiness to the needy.
 Targets 4.4, 4.5	<ul style="list-style-type: none"> 4Cs: Centara Career Creative for Children CRG Bilateral education project 	Creating personnel with specific knowledge that meets the needs of the business, also enabling them to practice professional skills. This provides youths with more work opportunities thus reduce unemployment rate.
 Target 5.1	Employment of women and consideration of the number of women in management.	Allowing women to display their talents and potential without discrimination. Create equality in society.
 Targets 8.5, 8.8, 8.9	<ul style="list-style-type: none"> Employment of employees without restrictions on age, gender and disability while receiving fair wages. Employment of people with disabilities and the elderly. Establish safety policies and employee health in order to work according to the standards set. Promote employment and develop personnel in the hotel and food business to create a quality workforce. 	<ul style="list-style-type: none"> Number of employees employed, employment of people with disabilities and the elderly for equal employment with proper payment and compensation. This enables the operation of the organisation to be stable and sustainable whilst all employees enjoy good quality of life. Reduce employee injury rates. Create quality labor, supporting growth in the tourism industry.
 Target 9.4	Establish policies on the implementation of greenhouse gas emission reductions in related business processes. Find ways to develop and improve the operation method to be more efficient.	Disclosure of greenhouse gas emissions in the business process to reduce pollution problems that affect society and the environment by reviewing and improving work processes for maximum efficiency.

SDGs / Target	Project/Operational Method	Performance
 Target 11.6	Determine the work process in waste management to be concrete and clear by providing knowledge to employees in the proper manner of waste management. Seek appropriate technology and innovation to be utilised.	Disclosure of waste management in the business process in order to inform stakeholders about the standard operation process. Reduce costs for the Company whilst reducing waste to external communities.
 Targets 12.3, 12.4, 12.5	<ul style="list-style-type: none"> Food donation program for the poor through Thai Harvest SOS organisation. Define administrative processes, arrange methods for use, storage, waste management, environmentally friendly chemicals to meet standards. There are guidelines for waste and waste management in order to achieve sustainability for maximum benefits. 	<ul style="list-style-type: none"> Reducing waste in leftover food but able to create better quality of life to the needy. Reduce greenhouse gas emissions, Control the cost of the Company and reduce the impact that will occur in communities from various chemicals used in business operations. Reduce company costs in purchasing new products Create value of garbage or equipment to benefit both the business and the community sustainably.
 Targets 14.1, 14.2	<ul style="list-style-type: none"> The Beach Cleaning project, which every hotel situated near the beach performs on a monthly basis. Coral Reforestation Project in Maldives by inviting guests to join in the activity. 	<ul style="list-style-type: none"> Helps reduce the amount of waste that goes into the sea, creating beautiful scenery for guests. Helping to restore marine nature, increase coral areas, and to raise awareness for guests to maintain under the sea nature.
 Target 15.2	Sustainable Reforestation Project by allowing employees and partners to create green areas by planting large trees, restore degraded forests and increase the area of reforestation.	To help restore forest areas and create awareness amongst employees and partners on the importance of forest preservation for future sustainable benefits.
 Target 16.5	Participate as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) and encourage partners to participate in the project, as well as educate employees of the Company.	All stakeholders believe in transparency. The organisation is sustainable in business. Helps reduce corruption in society.

Sustainability Management

Sustainable Operational Structure

In the year 2018, the Company created a new structure of sustainability operations under the supervision of the Risk and Supervision Committee for a working group overseeing sustainable development, with the Chief Executive Officer and the President acting as leaders in driving the implementation of integrated sustainability. The sustainable development working group acts as coordinator with various agencies of the hotel business group and food business, and reports the social, economic and environmental performance to the Risk and Supervision Committee responsible for supporting and overseeing sustainability operations, during meetings held every three months to review and follow-up on the company’s performance to be consistent, in achieving goals according to business practices leading to the achievement of sustainable development covering the economic, social and environmental dimensions.

Participation with Stakeholders

Stakeholders	Communication Channel	Goals and Operations Framework	Sustainability Development Process
Customers	<ul style="list-style-type: none">Company websiteOnline mediaInteraction with customers while servingComplaints through various channels	Meet all requirements	<ul style="list-style-type: none">Offering impressive service with Thai identityDiversity of products to serve customersDevelop technology to provide customers with efficient servicesListen to comments from all communication channels to improve service
Suppliers and Partners	<ul style="list-style-type: none">Annual Suppliers and Partner MeetingChannel for receiving complaints	Expand business opportunities	<ul style="list-style-type: none">upgrade the service industrytransparent and fair procurement process
Employees	<ul style="list-style-type: none">Orientation for new employeesTown Hall activities for executives to talk to employees closelyAnnual employee satisfaction surveyEmployee Welfare CommitteeRelationship activities for engagement with employees	Create professional personnel for corporate sustainability	<ul style="list-style-type: none">Develop knowledge and training to upgrade personnel to be able to progress in their careerTake care of employees similar to family members to create loyalty to the organisationConsider appropriate and fair remunerationAllowing employees to participate in comments
Social and community	<ul style="list-style-type: none">Community relations activities through volunteer activitiesListen to the opinions of the community and society through various channels	Create value for the community and society	<ul style="list-style-type: none">Promote, develop and build good relations with the community and society for an improved and sustainable lifestyle togetherShare knowledge to create a strong community and to grow with the business of the CompanyGenerate income to the community both directly and indirectly for growth of the community's economy
Environment	<ul style="list-style-type: none">Environmental impact assessment, both direct and indirect, from business operations	Reduce the impact on the environment both in the short and long term	<ul style="list-style-type: none">Maintain and manage the use of natural resources for maximum benefitImprove the business process to reduce the impact on the environment regularlyUse innovation and technology to assist in the operation process
Shareholder	<ul style="list-style-type: none">Investor relations activitiesAnnual General Meeting of ShareholdersCompany Website Onlinemedias And various publicationsInvestor Relations Information Channel	Worthwhile business results with stable and sustainable growth	<ul style="list-style-type: none">Participate in expressing opinions on business operationsActivities to meet investors and shareholders regularlyListen to suggestions or feedback from all shareholders equally
Overall stakeholders	<ul style="list-style-type: none">Company websiteComplaints through various complaints channels	Conduct business with transparency	Supervise the business with good governance under the law

The Company has joined organisations or agencies that were established for economic and social benefits. The Company's management also joined as participating directors of various organisations or agencies as follows: Thai Hotels Association, Thai Chamber of Commerce, Thai Listed Companies Association, Thai-American Chamber of Commerce, Thai-English Chamber of Commerce, Pacific and Asia Tourism Promotion Association (PATA), International Conference Promotion Association (Thailand), Thailand Incentive and Convention Association, Tourism Authority of Thailand, Thai Private Sector Collective Action Coalition Against Corruption (CAC).

Good Corporate Governance

Corporate governance practices are extremely important. In building confidence and credibility with stakeholders, the Company is determined to manage the organisation by adhering to and recognising the importance of good corporate governance. Good corporate governance policy consists of five categories which are shareholders’ rights, equitable treatment of shareholders, role of stakeholders, disclosure and transparency and responsibilities of the Board of Directors (detailed in the topic of corporate governance).

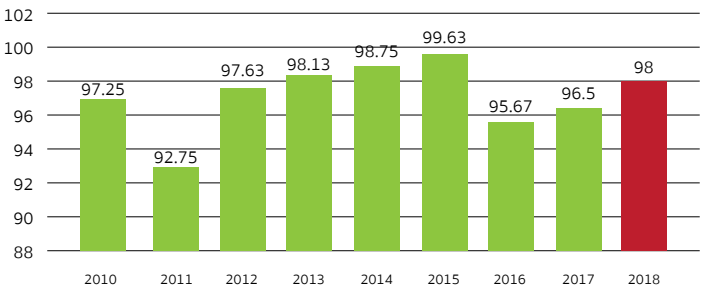
Assessment of corporate governance of listed companies

Long-term goals	Continuous assessment of corporate governance at the “excellent” level every year
Target for 2018	Results of the assessment of corporate governance at the “Excellent” level from the assessment of external agencies
Year 2018 performance	“Very Good” rating from the Corporate Governance Survey of Listed Companies Year 2018 (CGR 2018) by Thai Institute of Directors (IOD) supported by the Stock Exchange of Thailand (SET)

Quality Assessment Annual General Meeting of Shareholders

Long-term goals	Results of the assessment are 100% continuously every year
Target for 2018	100% assessment result from the AGM Quality Management Project (AGM)
Year 2018 performance	Assessment results of 98% from the assessment of the 2018 Annual General Meeting of Shareholders of listed companies in the Stock Exchange of Thailand by the Thai Investment Promotion Association

The quality assessment of the Annual General Meeting of Shareholders



Ethics in Conducting Business to Prevent Corruption

The Company has participated in the Collective Action Coalition Against Corruption (CAC), a project under the Thai Institute of Directors Association (IOD), Thai Chamber of Commerce, various Chambers of Commerce of different countries, Thai Listed Companies Association, Thai Bankers Association, Thai Capital Market Business Council and Tourism Industry Council of Thailand. The Company passed the assessment process and has been a certified member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) on April 22, 2016. The Company has announced this on the Company’s website <http://centel-th.listedcompany.com/cg.html>. The Company has also issued a letter to inform business partners to conduct business in good faith with transparency under the laid down measures.

Long-term goals	All stakeholders acknowledge that the Company’s various activities are corruption-free
Target for 2018	Review the knowledge and understanding of anti-corruption for all employees in the hotel business, along with the renewal of membership of the Thai Private Sector Collective Action Coalition Against Corruption
Year 2018 performance	The Company has provided training on anti-corruption to all new employees whilst reviewing knowledge and understanding of anti-corruption for all employees. At the same time, there is an extension of support and promotion of business operations that are not involved in corruption to every partner company, and proceeding to renew the membership of the Thai Private Sector Collective Action Coalition Against Corruption, which is in the consideration process from the Action Coalition Committee in 2019

Supply Chain Management

In 2018, the Company established a supply chain management policy as a guideline for operation by executives and employees alike. This policy focuses on the importance of conducting business with partners transparently, honestly and fairly, along with sustainable business practices. This covers economic, social and environmental dimensions, as well as paying attention to the issues of occupational safety, with the intention to support, promote and develop business partners and business partners that are directly and indirectly related to the company. In creating a supply chain management with social responsibility, it re-enforces confidence for stakeholders and creates the sustainability of the business of the Company and its partners in the long term. At the same time, the code of conduct and guidelines of partners and suppliers were prepared to focus on business ethics, labor practices according to human rights principles, occupational health and safety environmental sustainability. This also helps to improve efficiency and innovation of products and services for business partners and business associates by adhering to the guidelines.

In addition, the Company has implemented technology to store the data of the customers through the BEE SCM Procurement System to facilitate and implement the total procurement system. The “one product, one price” policy is used by four hotels in Bangkok namely : Centara Grand and Bangkok Convention Centre at Central World, Central Plaza Ladprao, Bangkok Centra by Centara, Government Centre Hotel and Convention Center Chaengwattana and Centara Watergate Pavilion Bangkok, to order products at cheaper prices and expand opportunities for trade with more partners. A ten percent savings can be anticipated following the procurement system change.

The Company has collected data and prioritised the partners of both the hotel business and food business according to the order value, points from partners' evaluation, good partner relationship by conducting business in a friendly, sincere and reliable manner, dependable, as well as being a business partner that operates with a serious and continued social and environmental friendly policy. For the hotel business, there are seven major trading groups divided into the following : Daily market lists - meats, vegetables, fruits, seafood, Food stores, dry bulk foods, Beverage stores, General stores & Amenity –stationary, chemicals, Engineering stores - tools / equipment, Yearly budget - Capex, operation equipment and Uniform .

Proportionately, new partners of the year 2018 of the food business amounted to 1,109, an increase of 240 from 2017, representing 27.61 percent. The main partner meeting of the hotel and food businesses was attended by 203 partners.

In the hotel business, there are rules for ordering products, auctioning, organising the delivery of goods such as fresh food, seafood and frozen products which must be transported by ice trucks to control the temperature not exceeding 8 degrees Celsius and not more than -12 degrees Celsius respectively, according to the Hazard Analysis Critical Control Point (HACCP) standards and ISO 22000: Food Safety Management System. Quality of products and packaging standards must also be met such as large fruits and vegetables which must be delivered in containers provided by the hotels while the packaging material such as plastic bags, paper crates, boxes are returned every time to reduce the amount of waste. Newspapers are not permitted for wrapping vegetables and fruits during the delivery process to prevent contaminants from ink. In addition, the results of the quality and safety analysis of the products (Test Report) are submitted by Third Party Lab every year as well as a system to regularly check and evaluate the quality of the partners.

In 2018, the order of environmentally-friendly products has increased along with environmentally friendly packaging (bio-degradable) for the food business in many food brands, including the purchase of frying oil for the KFC brand from agriculturists who utilise natural methods, without invading forests and destroying the environment.



Sample Images of Bio-degradable Packaging Products

Procedures for checking the quality and safety of raw materials in the food business include having to pass the factory standard of GMP, HACCP, ISO with a certificate of raw material that is safe to food touch from various quality assurance institutions such as SGS, Section 295 of Ministry of Public Health, Intertek, ALS, including the standard of raw materials from non-destructive production sources such as paper from planted forests and not destroying natural forests, BRC, FSC.

Development of Business Innovation

In 2018, Centara Grand Beach Resort Samui brought in a new technologically-advanced and environmentally-friendly boiler called “Once Through Boiler,” a water-tube boiler. By using this boiler to make steam for the hotel laundry system instead of the previous model which was a fire tube boiler, the hotel reduced the number of gas tanks used from 10 to 8 or a saving of 20%. This technology has also been installed at Centara Grand Beach Resort & Villas Krabi and at Centara Grand & Bangkok Convention Centre at Central World.

Food business in 2018 has adopted the popular technology that is the current LINE Official trend to communicate with customers. Promotions through LINE are to create brand awareness and build good relationships with customers. E-Coupons have been developed for discounting products and services, which are quick and convenient, whilst saving resources in not producing paper coupons. Promotions in conjunction with various partners through Gen Code system, meanwhile, saves time for employees as they are able to check accuracy in an efficient manner. We have also participated in Food Heaven, a combination of numerous food brands in the same area, comparable to a paradise zone for food lovers. Three pilot restaurants, namely Katsuma, Yoshinoya and Pepper Lunch were selected for the Food Heaven area, starting with the first branch at Tesco Lotus Plus Mall in Bang Yai.

Employees are key to driving business to sustainability.

Human resource management to create success for the organisation.

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 in career progress.
3. Placing priority in complying with human rights principles on the matter of equality, honour and the right to receive equal treatment without discrimination on race, skin color, sex, age, religion and beliefs. The Company has a clear policy not to employ persons under the age of 18.
4. Every new employee will receive an orientation in order to understand the corporate vision, value and culture, including requirements and welfare prior to commencing work.

Creating Employee Engagement with the Organisation

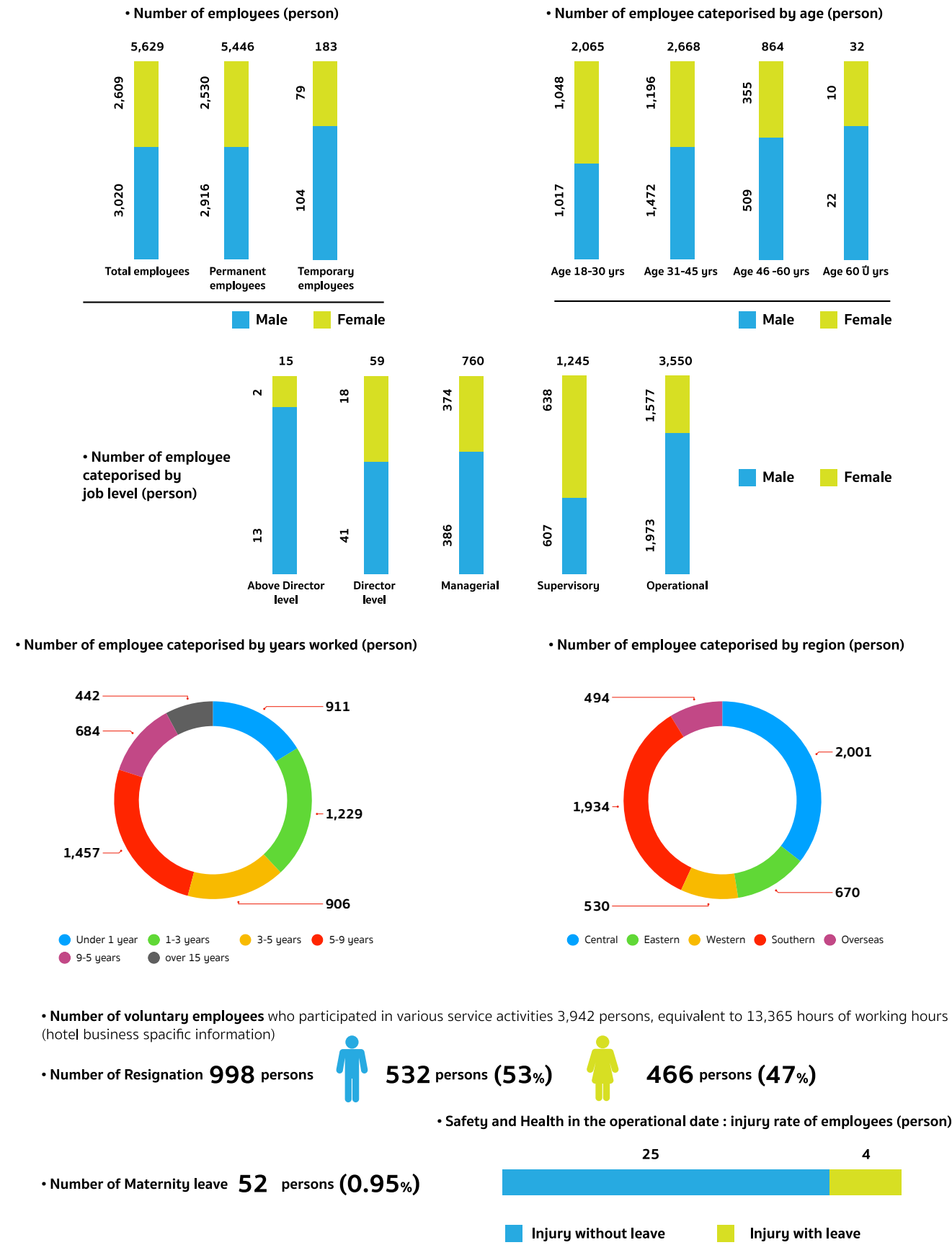
The Company has defined appropriate benefits and compensation as required by law, including medical treatment, social security, health insurance, Provident Fund, employee uniform in restaurants, access to medical clinic within the Company in the event that the employee is ill or has a minor accident while performing duties. In addition, the work place has been improved to facilitate employees for performing their duties in each line of work, in order to achieve maximum efficiency. As a result, a survey of employee satisfaction in 2018 for the hotel business is at the level of 77 percent while the food business also fared better than last year at 66 percent. A welfare committee was established to be open to comments and suggestions from employees for consideration, review or improved upon as deemed appropriate for each business category.

Welfare and Compensation

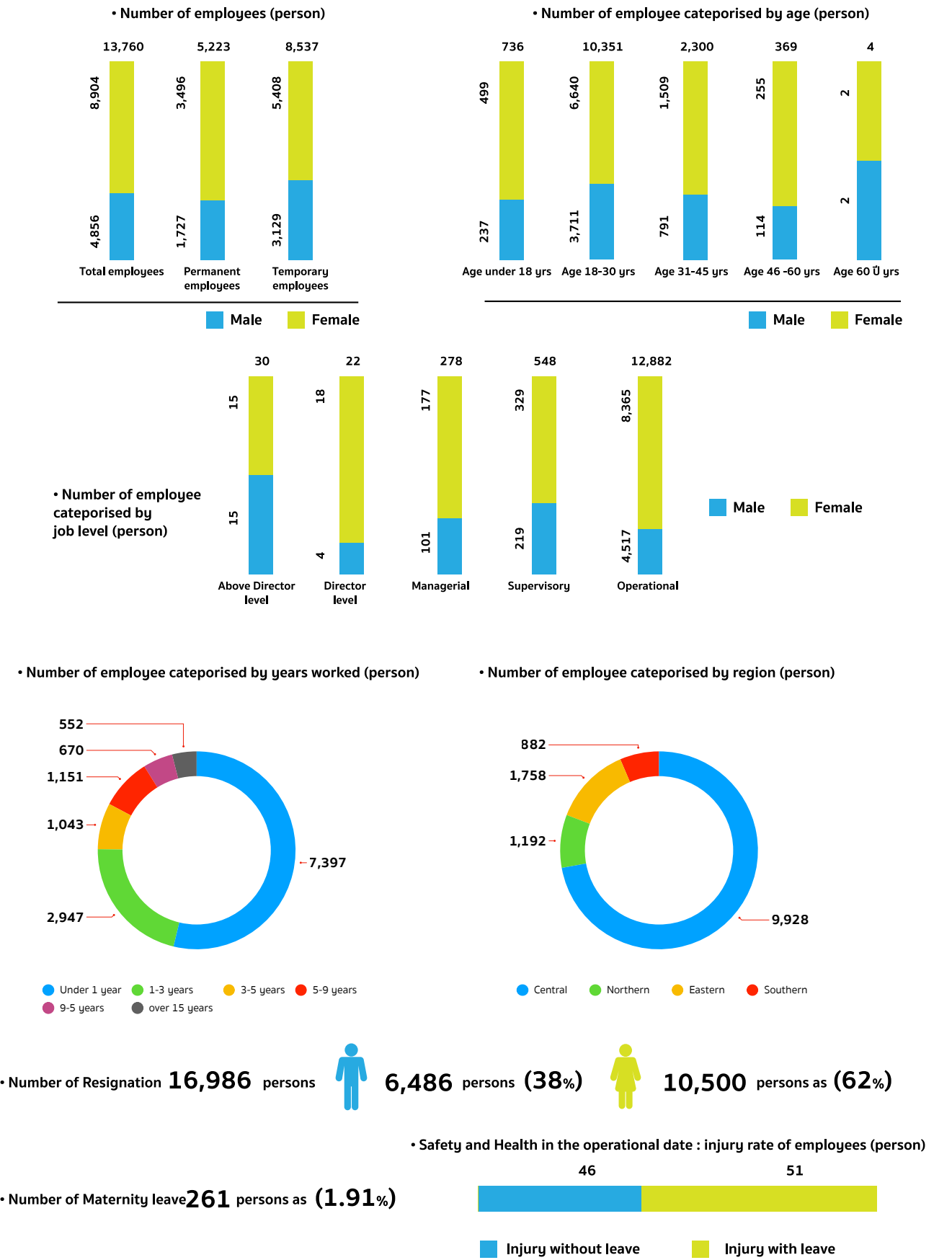
The Company has established both welfare benefits and compensation that are considered appropriate at all levels; board members, executives and employees in line with their responsibilities which are competitive to the general labor market. This was accomplished by annual surveys and comparisons with leading organisations and business groups in the same industry. The data obtained were utilised as criteria in determining the adjustments of compensation, as well as the consideration of annual salary increase and bonus payment according to the Company's assessment criteria. This enables the organisation to maintain quality personnel for sustainable growth. Moreover, differences in gender, religion or nationality do not affect compensation and promotions.

In 2018, the hotel business group reviewed its human resources development in order to increase potential in coping effectively with competitors for sustainable growth of the Company, having taken into consideration the restructuring of positions to create consistency within the organisation with standards commensurate to external organisations as well. Whilst it also clearly determines the roles and duties of various job positions which include human resources management and development, performance evaluation and compensation management.

Hotel Business



Food Business



The percentage of employees who attended training on safety and health related issues was 44 of the hotel business

The percentage of employees who attended training on safety and health related issues was 0.23 of the food business

Employment of Elderly Individuals

A Memorandum of Cooperation Agreement on Driving Strategy and Policy in Extending Employment Duration of Elderly Labours in Business Establishment was signed in September 2016, to form a prototype for extension thereafter 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.

Hotel business employed 119 elderly persons - 70 males, 49 females, with 82 at operational level and 37 at executive level, an increase of 7 persons from 2017. Total cost of hiring elderly persons was over 57 million baht.

Food business employed 12 elderly persons.

Employment of Individuals with Disabilities

The Company also offers employment opportunities to persons with disabilities to create value and enable them to earn a living.

Hotel business employed 68 persons with disabilities. Total cost of hiring disabled persons was 13.1 million baht.

Food business employed 210 persons with disabilities at the operational level. Total cost of hiring disabled persons was 16.8 million baht.

Employee Potential Training

Training programmes for employees in the hotel and food businesses were organised with five courses as follows :

- 1. Management and Leadership
- 2. Compulsory
- 3. Functional
- 4. Language
- 5. Orientation

In addition, we jointly collaborated with Central Group on human resources development in order to increase potential and share experiences from internal and external experts.

Average Training Hours of Employees

The goal of training to improve employee potential in 2018 was 80 %. This was achieved as 80 % of the employees in the hotel business and 83.50 % of the food business employees received training in various courses to develop their potential.

Hotel business - Average 37 training hours per person per year, an increase of 217% over 2017

Food business - Average 4.84 training hours per person per year, a decrease of 26% in 2017

The result of the training satisfaction evaluation was 92%, decreased 1% from 2017

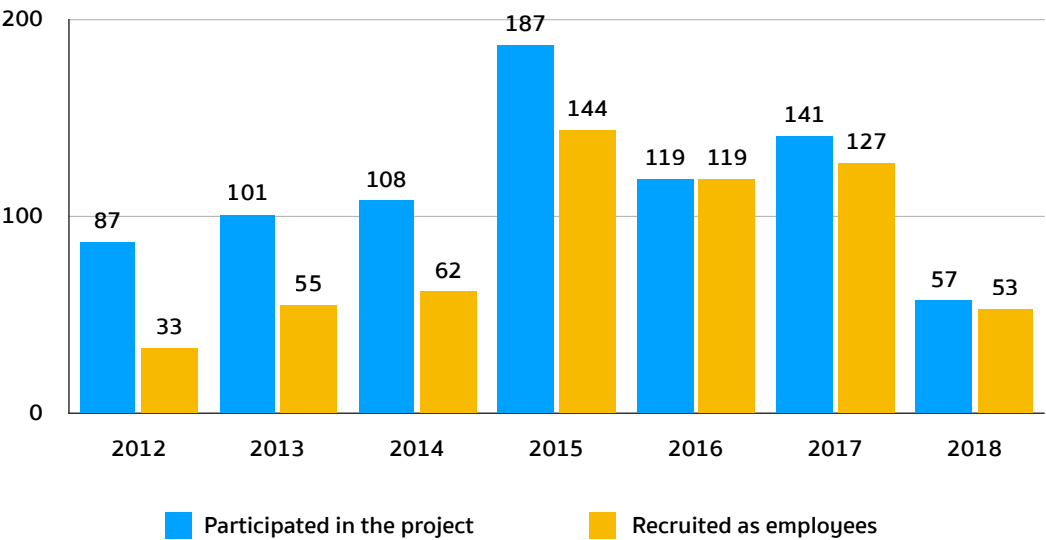
The Company implemented the Management Development Programme (MDP) to develop our hotel staff potential for advancing to the management work line. From the programme founding in 2003, a total number of 15 classes have been organised and participated in by 141 employees, and in 2018 a total number of nine employees participated in the programme. Currently, a total number of 59 employees who received training under this programme are working at hotels and resorts under Centara affiliates

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. 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 Centara Hotels & Resorts . 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 Songkroh 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 Centara Hotels & Resorts located in various provinces. There have been 743 students completing this training, and 540 of them have been employed in Centara Hotels & Resorts. The budget allocated for this project was 13 million baht in total. Part of it was subsidised by the Department of Skill Development, Ministry of Labour to the amount of 5.3 million baht, creating income to youths per month of not less than 17,000 baht. In 2018, 57 students participated in the project, and of these 53 persons were recruited as employees of Centara Hotels & Resortd. Because of our efforts in carrying out this project on a continual basis, we were able to create a total of 800 skilled persons to work in the tourism industry, of which 55 were physically impaired youths. The Company is proud to take part in creating career opportunities and a sustainable future for Thai youths.

4 Cs: Centara Career Creation for Child



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 40 educational institutes with subsequently 127 students who participated in and completed the OJT programme with Centara Hotels & Resorts. In 2018, a Memorandum of Cooperation Agreement was signed with an additional four educational institutes, and 4 students were accepted for the OJT programme with Centara Hotels & Resorts.

In addition, opportunities have been given to students from 26 overseas educational institutes to receive the OJT in various departments, and since 2011 a total number of 26 students received the OJT from overseas educational institutes. In 2018, there were a total number of 4 students from 4 overseas educational institutes taking part in the OJT.

As for the food business, 615 students participated in the internship with 14 persons working in the food business after completion.

3. CRG Bilateral Education Project

The food business by Central Restaurants Group began the project in 2004, in collaboration with 317 vocational institutions in both public and private sectors nationwide. There are studies such as vocational training in domicile studies in the Block Course format, a short term vocational training in Bangkok and online learning, as well as long-term vocational training in Bangkok by dividing school days and professional training days according to the educational system. All students receive welfare in scholarships, allowance, uniforms, medical expenses, funds in accommodation and other welfare benefits as specified in the educational system. Currently, there are 900 students who are undergoing the project. In total 9,000 students have graduated with 12 classes having received certificates of high vocation and technical vocation, continuing to progress to the undergraduate level. Five classes have earned bachelor's degrees. The project is then extended under the name of "Tripartite" in order to further the education in the development of management level employees of the operational department to support the expansion of the business and create quality personnel into the labor market.

Community and Social Support for Sustainable Development

In the year 2018, the Company set the goal for community and social activities in collaboration with the Central Group in striving to assist and develop various social aspects, with the concept to create sustainable jobs, careers, communities and a better quality of life for employees and society under the Central Tham Project. This was divided into 4 areas to focus on aligning with the sustainable development goals, PEOPLE- focusing on education and well-being of people, COMMUNITY- focusing on the development of community products, ENVIRONMENT- focusing on environmental quality and PEACE & CULTURES- focusing on peace and conservation of culture. The budget set aside for these important projects totaled over 13.5 million baht, with details as follows

Central Group Project for Educational Development

- Jointly support the construction of school buildings, sanitation buildings, Border Ban Chanu Patrol Police Learning Centre, Mueang District, Chiang Rai Province.
- Jointly support the renovation of the kindergarten rooms, Ban Tak Daeng School, Phang Nga Province.
- Jointly support the budget for the construction of a new elementary school building and make improvements to the kindergarten building to be a prototype at the Border Patrol Police School, Baan Hin Chok, Palian District, Trang Province.
- Jointly support the sports scholarship programme at Assumption School.
- Jointly support education for students lacking opportunities to achieve their dreams to start their freshman year with 13 scholarships at 5,000 baht each at 12 schools as follows: Ban Tawang Community School, Baan Kinken School, Mae Ku Witthayakhom School, Sapphitthayakhom School, Mae Pa Witthayakhom School at Tak Province; Ban Nong Na Kham School, Ban Mak Khaeng School, Ban Nong Bua School, Ban Dong Udom School, Ban Nong Khun School, Siriwannaree 1 High School at Udon Thani Province and Amat Panichanukul School, Krabi.
- Jointly support the project to develop public education (Ban Bang Khram, School Ban Yan Udom School, Krabi).



Central Group Project for Solidarity Efforts on Anti-Disaster Participating in making donations of blankets to help victims of various disasters in the Thai provinces.

Central Group Project for Environmental Preservation Supporting the Resources Management for Sustainability (3R) Foundation.

Central Group Project for Sports Development Jointly support sports activities as follows: the Central Table Tennis Cup 2018 to support the SET All Thailand Table Tennis Championships 2018 Circuit 3 and the BBG Princess Cup 2018, etc.

Central Group Project on Creating Charity for Social Assistance

- Support the organisation of the “5th Happy Society” event under the concept “Being Cool Outside the Box...Encourage an Organic Society with a Balanced Life” at the Rose Garden, Nakhon Pathom Province to exchange knowledge and experiences in organic agriculture for interested persons.
- Support the development of green area under the concept “OUR Khung Bang Krachao” of 20 rai to create a good environment and generate sustainable income for communities in Bang Kao Chao.
- Support the project “Center for Relief at the Police Hospital” under the “Because We Care” Project, for Children, Women and Victims of Social Violence, which is a One Stop Service with doctors, nurses, social workers, psychologists, administrative personnel, all working together to help the community.

Central Group Voluntary Project for Community Development

- Support the implementation of “Construction of GMP standardised separation plant, together with equipment and packaging development funds” in Phitsanulok.
- Support the improvement of vegetable selection and concrete flooring, as well as the curry processing equipment which is a community enterprise at Warin Chamrap District, Ubon Ratchathani Province.
- Support 5,000 kg of coffee beans from community enterprise of Phu Chi Monthun forest preservation group at Wiang Kaen District, Chiang Rai Province.
- Support the organic farming community of Mae Tha Sustainable Agriculture Cooperative, Chiang Mai.
- Support the development of Lan Tawan Yim at Lumpini Park for all Thai people, whether they be children, disabled persons, the elderly, as well as the general public to encourage exercising and other recreational activities.



Central Group Project for Peace & Cultures The Kathin Royal Project 2018, at Chumphon Nikayaram Ratchaworawihan Temple, Ban Len Sub-district, Bang Pa-in District, Phra Nakhon Si Ayutthaya Province was attended by staff and executives, along with local people who participated in the kathin activities.

In addition, the objective of each hotel and food brand is to create a project to support and develop communities in the surrounding area, in order to help strengthen the community and society. This also helps in maintaining good relationships with nearby communities. These include:

Centara Grand Beach Resort and Villas Hua Hin, jointly with private sectors to enforce safety while driving motorcycles, by having donated 400 helmets to youths in the Hua Hin area and nearby.

Centara Grand Ladprao in conjunction with the Community Development and Social Welfare Department, Chatuchak District Office, Bangkok, provided space to vendors without charge to promote income for the community.

Centara Grand at Central World has continued to provide 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.

Centara Grand Hotel Beach and Resort Villa Krabi, Centara Anda Dhevi Resort and Spa Krabi and Centra by Centara Phu Pano Resort Krabi have installed water filters for 47 students at Ban Haad Yao School, Krabi providing clean drinking water.



Mister Donut participated in “The Power of Pink” project to produce and sell pink donuts in 339 branches to donate money to the “Ban Phing Rung” project to care for last-stage cancer patients, under the Chaloe Phra Kiat Breast Cancer Foundation from 16 June to 31 October 2018 with a total amount of 75,125 baht donated.

Auntie Anne's 20th anniversary was celebrated by “Delivering Special Happiness” campaign. The motto was that doing good with every step and sharing the happiness. Hot pretzels were served to 2,272 children belonging to twenty various homes under the Children's Homes Foundation.



Ootoya Japanese Restaurant provided support to organic farmers of various communities by purchasing fresh vegetables from Nam Duk Tai Vegetable Production Cooperative, Ban Phan Sao Agricultural Community Enterprise, Group Nadi Sub-district Vegetable Growing Community Enterprise and Udon Thani Organic Vegetable Farming Community Enterprise.

Environmental Sustainability

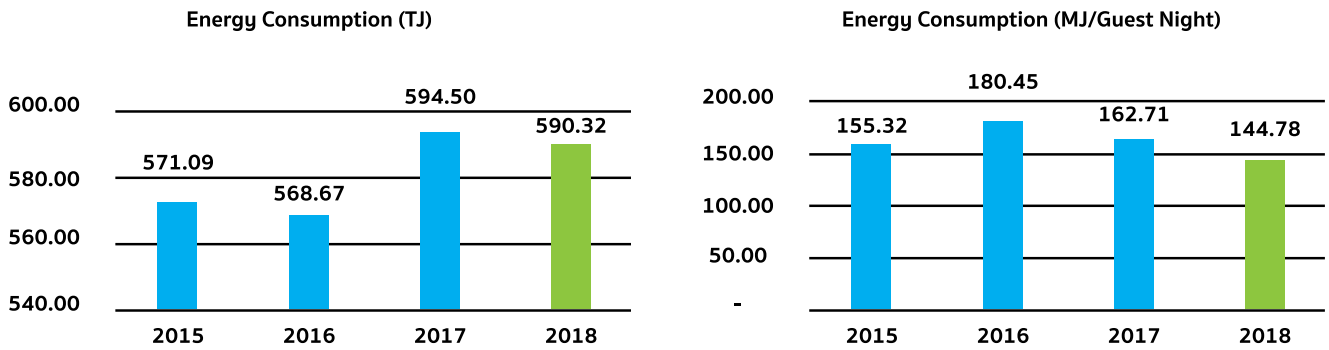
The Company is committed to conducting its businesses in an environmental-friendly manner and to taking into consideration the possible impacts on the environment, through placing great importance to these objectives in every operating procedure and process, namely:

1. making use of various resources to achieve maximum effectiveness
2. managing all waste products from our business operations in a systematic manner, in order to ensure that all business activities and processes are based on taking into consideration, caring for and protecting the environment so as to minimize potential impacts on the environment - both in the short term and for the long term
3. encouraging all individuals to recognize the importance of climate change; and
4. making use of technology to develop environmental management measures

Energy Consumption

Group-wide, the electricity consumption target set as KPI was reduced by 3%. However, due to the increased numbers of operating properties from 36 to 38 properties in 2018, the Electricity consumption increased by 3.44% compared to 2017 yet, at the same time, we have decreased 7.37% or average 55.39 Kwh per occupied room.

Based on EarthCheck Programme's data collection online system, our total energy consumption consisted of Purchased Electricity, Stationary Fuel Combustion, Mobile Fuel Combustion (road). Some properties also included Mobile Fuel Combustion (water), Visitor Transport and Employee Transport depended on scopes and extend of the individual. The total energy consumption reduced by 11% compared to 2017 which on average was 144.78 MJ (Megajoule) per guest night or 590.32 TJ (Terajoule) in total.



Once Through Boiler

Centara Grand Beach Resort Samui brought in a new technologically-advanced and environmentally-friendly boiler called “Once Through Boiler,” a water-tube boiler. By using this boiler to make steam for the hotel laundry system instead of the previous model which was a fire tube boiler, the hotel reduced the number of gas tanks used from 10 to 8 or a saving of 20%. This technology has also been installed at Centara Grand Beach Resort & Villas Krabi and at Centara Grand & Bangkok Convention Centre at Central World.

Variable Frequency Drive Controller

Centara Ceysands Resort & Spa Sri Lanka installed a new Variable Frequency Drive Controller to help with electricity savings through controlling the amount of voltage and frequency available to various chillers and pumps. This was a very fruitful and profitable exercise for the resort as it allowed the resort to reduce the electricity usage of chillers and pumps utilizing the VFD control by between 30% and 50% from chillers and pumps not using the new system. This project produced a return on investment in two months' time.



Earth Hour

Earth Hour has been the world's largest grassroots movement for the environment, inspiring millions of people to take action for our planet and nature. Centara Hotels & Resorts has been actively participating in and hosting the Earth Hour event locally across our properties both in Thailand and Overseas. In 2018, we helped save energy during the Earth Hour over 8,400 Kwh and reduced 5,940 kg CO₂-e of the Greenhouse Gas Emission with the participation of 1,300 staff and hotel guests.



Renewable Energy

Biogas Production Machine

Centra by Centara Maris Resort Jomtien installed Cowtech Composting Biogas Production Machine in July 2018 to help handle organic waste from kitchens, staff canteens, landscaping works properly and help reduce Green House Gas Emission from food waste, cost for cooking gas and for organic waste management. Up to the end of the year, Centra by Centara Maris Resort Jomtien composted total 5,700 kg. of the organic waste or 30 kg. per day and produced the BioGas Equivalent LPG total 262.2 kg. or 1.38 kg. per day. The Biogas Equivalent LPG was used to cook guests' Welcome Snacks 'Bio-fried Banana'. By converting organic waste to the renewable energy, we have reduced 10,830 kg CO₂-e of the Greenhouse Gas Emission.

EV Charger

Helping to reduce air pollution brought on by combustion engines, an Electric Vehicle Charging Station is available at Centara Grand at CentralWorld for guests who need to charge their electric or hybrid vehicle batteries.

Heat Reclaim/Recovery

Centara Properties in Bangkok, Udon Thani, Samui, and Maldives have been using the excess heat reclaimed from various processes to produce hot water for nearby water taps.

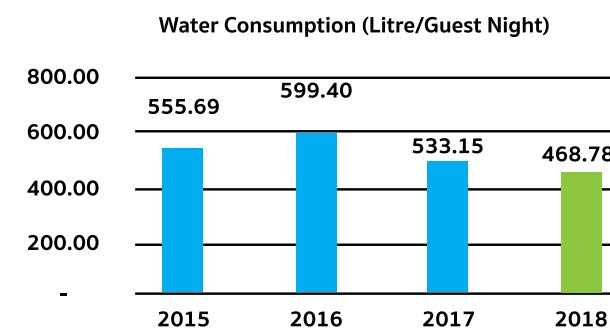
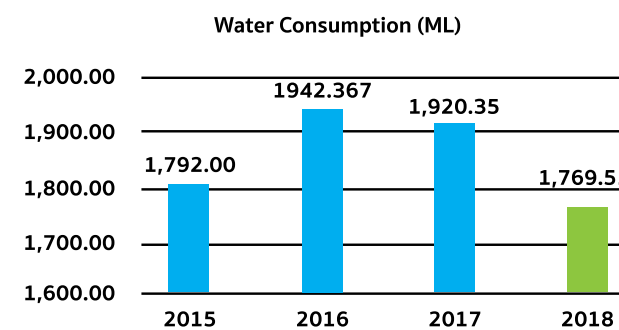
Solar

Solar power reduced reliance on fossil fuels such as oil, coal and natural gas. When fossil fuels are used to create electricity, they produce harmful gas emissions that affect the safety of air, water and soil. In contrast, solar energy is pollution free and causes no harm to the environment. Solar PV for boilers and walkway lighting have been installed and implemented at 12 Centara Hotels and Resorts across Thailand and the Maldives.

Centara Government Complex Hotel and Convention Centre Chaeng Watthana has Solar Powered Photovoltaic (PV) panels converting the sun's rays into electricity on the roof. In 2018, the Solar PV produced 335,664 Kwh which increased by 67.83% compared to 2017 and reduced 161,449 kg of CO₂-e.

Portable Water Consumption

Water consumption has decreased by 7.86% compared to 2017, which on average 468.78 litres per guest night. Water conservation program in place for staff and guests.



Going Greener and My Green Day

Our ongoing programmes of 'Going Greener' and 'My Green Day' are aimed to reduce water consumption and chemical use for laundry by reusing the linens in the guest rooms more than once. We have collaterals in place to help communicate with guests to participate in these resource savings programmes. In 2018, the average guests' participation was at 38.45% which increased over 100% compared to 2017 and they have helped us save water of over 790,000 cubic meters or equivalent to 317 Olympic sized swimming pools.

Centara Grand Beach Resort & Villas Krabi arranged an activity called "Green Choice Green Reward" This activity encouraged guests to decline room cleaning and fresh linens during the Songkran holiday period (April 13 to 15). Guests who completed one day without room cleaning and fresh linens received a drink voucher worth THB 150 while guests who completed two days received a drink voucher worth THB 150 and a Water Hyacinth Handbag. 32 guest rooms completed one day without cleaning and changing linens and 26 rooms completed two days without room cleaning and changing linens.



Reuse of Gray Water

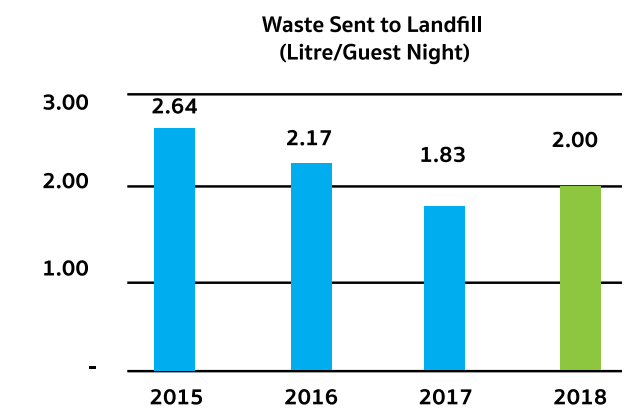
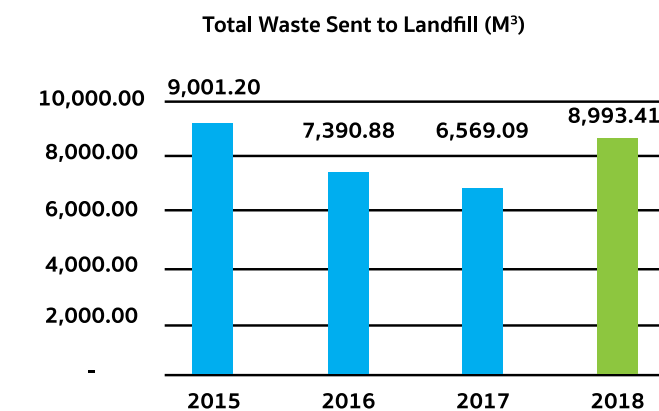
80% on average of fresh water was saved by using Gray Water for irrigation at most of our resort properties.



Waste Sent to Landfill

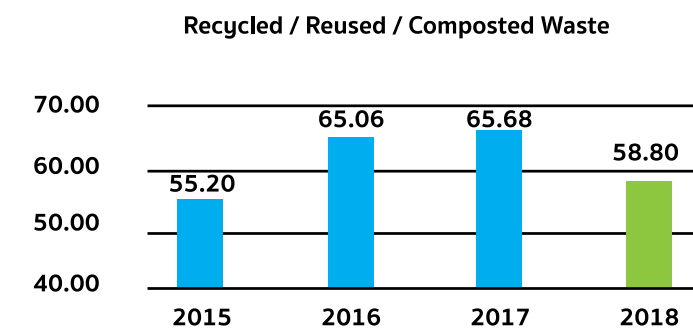
The improper disposal of used or waste materials at landfills not only negatively impacts the environment but also increases the risks of water contamination and heightened greenhouse gas emissions from the decomposition process.

In 2018, the total volume of waste sent to landfills was 8,993.41 cubic meters or on average 2 liters per guest night. This number excludes waste that was recycled, re-used, composted or incinerated.



Recycled / Reused / Composted Waste

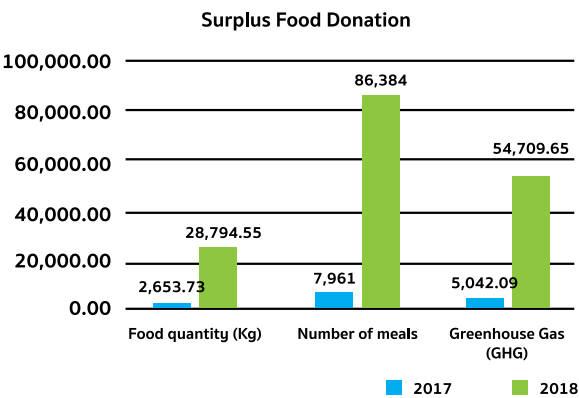
The average total Recycled / Reused / Composted Waste was at 58.80%



Surplus Food Donation

This activity started with Centara Grand & Bangkok Convention Centre at CentralWorld in 2017, then by Centara Grand at Central Plaza Ladprao Bangkok and Centara Watergate Pavillion Hotel Bangkok in the following year; these three Centara properties have been participating in an innovative new charity operation, “Thai Foundation Scholars of Sustenance (SOS)” that collects and distributes surplus food to benefit people in need. The programme’s mission is to eliminate hunger and food waste through the re-distribution of quality surplus food.

In 2018, we donated 28,794.55 kilos of good quality surplus food or equivalent to 86,384 servings to those in need. Also, by reducing this amount of food waste, we have successfully saved 54,709.65 kilos of GHG equivalent emissions (CO₂-e (kg)).



Elimination of Single-use Plastic

The elimination of single-use plastic items is part of the “Centara Earth Care” programme. While we are committed to ensuring a respectful, safe and healthy environment to the larger society and our future generations, we also aimed at encouraging hotel guests and tourists to be proactive about plastic waste reduction and sustainable environmental tourism.

Centara Hotels & Resorts began phasing in its elimination of single-use plastic products in 2018 across all 39 of its operating properties;

Phase I, targeting the elimination of plastic straws began in August 2018. Once the change was fully enacted throughout all Centara properties, the reduction in plastic straw consumption will total nearly 2.2 million straws per year.

Phase II, eliminating the use of plastic laundry bags began in December 2018. Moving forward, these practices will also become our standards for all existing and new properties.

Phase III: eliminating Take-away Food Containers. Phase IV: eliminating Plastic Water Bottles at Fitness Centre and Poolside. And Phase V: Eliminating Plastic Guest Room Amenities will be launched in 2019. Under the plan, these items will be replaced by alternative products which are reusable and made from environmentally friendlier materials, including plant-based, compostable and bio-degradable plastics to minimise environmental impact.

Centara Sustainable Products

Sustainability is becoming more important for all companies across all industries. At Centara Hotels and Resorts, we are including sustainability practices into every aspect of our business, including retail. In 2018, we offered Reusable Straws and Running Belts made from recycled plastic water bottles to our stakeholders, and in 2019, we are launching “Centara EarthCare Corner,” a retail shop that sells sustainable and environmentally-friendly items that our guests will enjoy and appreciate.



Green Activities

Green Friday

Centara Grand Beach Resort Phuket initiated a green activity to raise awareness about waste segregation and on reducing pollution for the hotel guests.

To attract attention, the team dressed in glamorous gowns made from reused fabrics and plastic material. The team of volunteers walked around the property to communicate knowledge about sorting waste, the benefits of carpooling, and why it is important to say no to plastics. It was a successful activity as all guests were very happy and enjoyed this type of interaction with the property’s team members.

Save World Costume Contest

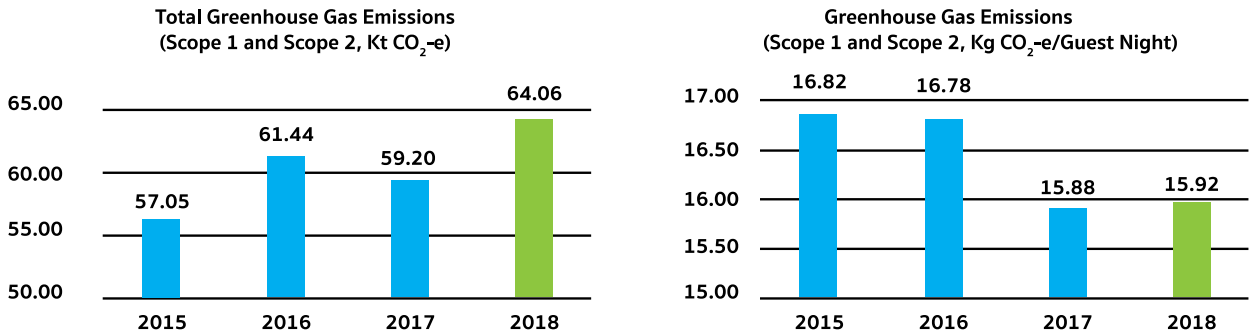
Centara Anda Dhevi Resort & Spa Krabi arranged an activity called “Save the World Costume Contest.” All departments of the resort participated in the contest, which was to see who could produce the best costume from waste that was produced in their specific department. The purpose of this contest was to show team members how they can re-use materials that they would normally throw into the garbage.

Love The Earth Staff Party

Besides the costume contest, Centara Grand Beach Resort & Villas Krabi also organized their annual staff party with sustainability in mind. All invitations were distributed electronically, attendees only received one bio-degradable cup for the evening, the stage backdrop and other decorations were made from natural materials and existing supplies and another costume contest involving recycled materials was held. After participating in this activity, team members were more aware about how to be more caring of the environment.

Greenhouse Gas Emissions (Scope 1 and Scope 2)

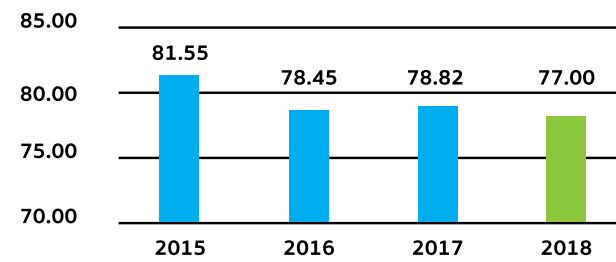
In 2018, Total Greenhouse Gas Emissions (Scope 1 and Scope 2) of the 19 properties undergoing EarthCheck Programme was 64.06 kt CO₂-e* or on average 15.92 kg CO₂-e per guest night. Even though the Greenhouse Gas Emissions (Scope 1 and Scope 2) per guest night of Centara Hotels & Resorts in 2018 was slightly higher than 2017, however, we were still better than the Baseline and Best Practice of the EarthCheck Programme globally which were 40.12 kg CO₂-e and 28.22 kg CO₂-e per guest night respectively.



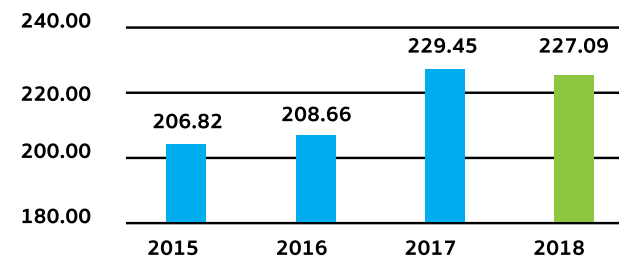
Scope 1 Emissions: Direct Emissions from the combustion of fuels such as diesel, natural or LPG gas, wood or from onsite wastewater treatment. In 2018, we have reduced the Greenhouse Gas Emission (Scope 1) by 2.31% compared to 2017 or on average 77 kg of CO₂-e per guest night.

Scope 2 Emissions: Indirect Emissions generally from the use of electricity generated off-site (e.g. electricity supplied by an energy company). In 2018, we have reduced the Greenhouse Gas Emission (Scope 2) by 1.03% compared to 2017 or on average 227.09 kg of CO₂-e per guest night.

GHG - Direct Emissions (Scope 1)
Kg CO₂-e/Guest Night



GHG - Indirect Emissions (Scope 2)
Kg CO₂-e/Guest Night



Carbon Sequestration

Watershed Forest Conservation Project

A carbon offset is a way to reduce total emission of carbon dioxide or other greenhouse gasses by doing something that is not a net producer of such emission. An example of this is planting, which is a great way to help collect carbon emissions from the air.

Centara Grand & Bangkok Convention Centre at Central World has signed a Memorandum of Understanding (MOU) with the Royal Forest Department, Ministry of Natural Resources for a long-term Watershed Forest Conservation Project. During this Project, Centara Grand & Bangkok Convention Centre at Central World and the Royal Forest Department, Ministry of Natural Resources will plant 400 local species of trees on 2 Rai of land in Ta-Takiab District, Chachoengsao Province. Upon completion of this project, the team would have sequestered 8,600 kg of CO₂ emissions per year.

Mangrove Planting

Our coastline properties in Phuket have also arranged Mangrove Planting activity in cooperation with the mangrove conservative team of Forest Resource Development and Conservation (station 23) at Makham Bay to extend mangrove forest and to preserve the ecosystem.

Ecosystem Management and Conservation

The aim of Coral Restoration Project at Centara Ras Fushi Resort and Spa Maldives is to develop a project whereby the corals can be induced to grow artificially. Artificial reefs are a form of active restoration aimed at increasing coral health, diversity and abundance. Once populated, these structures will provide an opportunity for guests to witness the growth of a new coral garden. Over 5,000 corals have been planted and the restoration is an ongoing process which will take over a time-scale of 10 – 30 years.

Three Centara Resorts in Krabi arranged an activity called “Back Orchid” for Earth Day 2018, where they planted Paphiopedilum orchids for local people who will use these orchards as ways to attract tourism to the area. Paphiopedilum is a rare species of orchids that can be found in areas of Krabi but they are often smuggled out of the forest. Team members of the Centara Resorts were happy to participate in this activity as it allowed them to be outside and experience nature, learn about the environment, and help local villagers either re-plant or plant new orchid orchards to protect their valuable natural resources from extinction.

At Centara Grand Beach Resort Phuket, the ocean front property installed signage to encourage guests to access the beach via designated pathway instead of walking through the establishment of native vegetation that will aid in protecting against beach erosion.

Hazardous Waste Management

Hazardous Waste: It is hazardous for a variety of reasons including flammable, corrosive, reactive, toxicity, explosiveness or having the specified constituents. According to our Waste Management Policy, this type of waste must be dealt with differently to other waste and must be placed in Hazardous Waste Bin. The bin is located only at the back of house. The Engineer Office is responsible for hazardous disposal, on monthly basis, hazardous waste will be sent to licensed local supplier/ local authority. In 2019, the policy will also include a separate section for Electronic Waste Management.

The Management of Harmful Substances

Several major environmental incidents have been attributed to poor chemical management practices and can present a variety of human health and ecological concerns, contributing to poor indoor air quality. The presence of harmful chemicals in both indoor and outdoor environments poses risks for human health and the environment. Control of chemicals in a hotel setting is important to minimize risks to guests and employees, as well as to prevent harm to the surrounding community and environment.

While the Biodegradable Substances have been prioritised for all resorts, the Harmful Substances Handling and Storage Policy has also been produced and regularly updated in support

of Centara Environmental Sustainability Strategy. Centara is committed to reducing its impacts on the environment. Effective chemical management is consciously considering all aspects of safe, responsible and economical chemical handling for the purpose of environmental protection and to improve workplace safety and reduce workplace accidents and minimise the severity.

EarthCheck Certifications

Centara Hotels & Resorts' ongoing engagement with EarthCheck, the world's leading scientific benchmarking, certification and advisory group for travel and tourism, continues to yield consequential improvements in key sustainability metrics. In 2018, 5 properties have achieved Gold Certifications, while in total 15 properties have achieved EarthCheck certification and 2 properties are under EarthCheck Evaluate Programme.

EarthCheck's Benchmarking and Certification Programme helps minimise the environmental footprint of Centara Hotels & Resorts and includes a suite of planning, design and operational standards that provide business with the information and tools to take action.

Certified Programme

Centara Grand Beach Resort & Villas Krabi	Certified Gold 2018 (year 4)
Centara Grand Beach Resort and Villas Hua Hin	Certified Gold 2018 (year 3)
Centara Grand Beach Resort Samui	Certified Gold 2018 (year 3)
Centara Grand & Bangkok Convention Centre At Central World	Certified Gold 2018 (year 2)
Centara Karon Resort Phuket	Certified Gold 2018 (year 2)
Centara Grand at Central Plaza Ladprao Bangkok	Certified Gold 2018 (year 1)
Centara Grand Beach Resort Phuket	Certified Gold 2018 (year 1)
Centara Grand Island Resort and Spa Maldives	Certified Gold 2018 (year 1)
Centara Grand Mirage Beach Resort Pattaya	Certified Gold 2018 (year 1)
Centara Kata Resort Phuket	Certified Gold 2018 (year 1)
Centara Ras Fushi Resort and Spa Maldives	Certified Silver 2018 (year 4)
Centara Villa Phuket	Certified Silver 2018 (year 3)
Centara Villa Samui	Certified Silver 2018 (year 3)
Centara Hotel Hat Yai	Certified Silver 2018 (year 3)
Centara Anda Dhevi Resort & Spa Krabi	Certified Silver 2018 (year 1)

Evaluate Plus Programme

Centara Koh Chang Tropicana Resort	Evaluate Plus
Centara Watgate Pavillion Hotel Bangkok	Evaluate Plus
Centara Hotel & Convention Centre Udon Thani	Evaluate Plus
Centra by Centara Maris Resort Jomtien	Evaluate Plus



Other Recognition

Green Hotel Award (G Mark)

Environmentally Friendly Hotel (Green Hotel) is a two year certification that was launched by the Department of Environment Quality Promotion. The aim of the program was to enhance the use of resources and energy and modify the standards of service at hotels and resorts so that the standards are more environmentally friendly. Since 2015, Centara Hotels & Resorts has achieved the Green Hotel Award with a total of 12 G Marks. In 2018, Centara Hotels and Resorts had 8 valid G Marks, and the plan is to achieve the Green Hotel award for 15 more properties in 2019.

Food Business Energy Management in 2018

Construction and maintenance department being the responsible party has set the objective to reduce electricity consumption in 2018 to 2%, resulting in the reduction of energy consumption by 4.82% through the following projects:

1. The replacement of old model Freezer Boxes with a new model for 20 KFC brands, an energy saving of approximately 16,884 units (kWh), amounting to approximately 84,420 baht/year, which reduces CO₂ emissions by 9,472 Kg CO₂ e/ Kwh.

2. The acrylic cabinet installation project and changing energy saving tubes for heat lamp warmers - Five branches of Yoshinoya have managed to save energy by approximately 7,128 units (kWh), approximately 35,640 baht/year, which reduces CO₂ emissions by 3,998 Kg CO₂ e/Kwh.

3. Gas Energy Saving Project - a gas cleaning project in order to achieve a cost effective use of gas for the six branches of Chabuton brands. After operation, the gas consumption unit per sales (m³/Sales 100 Baht) tends to decrease, resulting in efficient and cost-effective use of gas.

4. Projects to Promote Energy Saving Knowledge

In food business, the VDO guidelines on energy saving of each item of equipment in the shop have been created to educate employees. These are stored and distributed to CRG employees on the website. : info.crg.co.th for the convenience of branch employees nation-wide. Furthermore, training is conducted for store managers of various branches in each brand, providing them with knowledge and understanding, so that their energy saving knowledge is applied. These have been started with Chabuon, Katsuya Ootoya and KFC brands.

In addition, 354 Mister Donut branches nation-wide has joined the campaign to stop using plastic to reduce waste by helping to publicise the "Say No to Plastic" campaign.



Old Freezer Box Model



New Freezer Box Model



Old heat Lamp Warmer



New Acrylic Cabinet and Heat Lamp Warmer



Gas Nozzle before Cleaning



Gas Nozzle after Cleaning



FINANCIAL STATEMENTS



REPORT OF THE **AUDIT COMMITTEE**

To : The Shareholders of the CENTRAL PLAZA HOTEL Pcl.

The Audit Committee of the Central Plaza Hotel Plc. comprises of 3 Independent Directors, 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. On April 30 2018, the Annual General Meeting of Shareholders passed a resolution to appoint Miss Sopawadee Lertmanaschai to be an independent director and the Audit Committee, Mr. Pisit kusalaSaiyanon to be the Chairman of the Audit Committee, Mr. Wichian Techapaiboon and Miss Sopawadee Lertmanaschai are members of Audit Committee.

During 2018, 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 2018

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, which concludes that the internal control system of the company is sufficient and appropriate.

Based on the evaluation reports of the Internal Audit Unit during 2018 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.

3. Internal audit

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.

4. 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.

5. 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 have relating to the market price that without resulting in any conflict of interests situations arising and that the Company has adequately disclosed the associated information in a comprehensive manner.

6. Review of and Proposed Appointment of the External Auditors for 2019

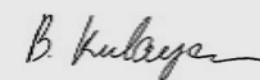
The Audit Committee considered and reviewed the selection of the external Auditors for 2019; whereby various leading Thai Audit Firms submitted their proposals to undertake the audit of the Company and companies within the Group. After taking into consideration the degree of their respective independence, 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 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 2018, 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 2018. The Company offered minor shareholders a chance to nominate directors since October 25, 2017 to February 1, 2018. Since no such nomination emerged. During 2018, the Nomination and Remuneration Committee nominated 1 new director, Miss Sopawadee Lertmanaschai, to replace the vacant position. The Committee recommended that the retired directors who finished their terms in 2018 should be reappointed to another term and proposed 1 new director. The 2018 AGM approved every nominated director.

2. Considering the 2018 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

ENTERPRISE RISK MANAGEMENT

During the past year, we have identified factors that represent not just risks, but also significant changes and how the changes could impact our performance and necessitate a shift in our strategy.

As we consider the future of sustainable development, our enterprise risk management is not only a residual risk taking or just a purpose of internal control. We also address other topics such as core values, strategy-setting including governance and culture, code of conduct, anti-corruption and sustainable development. The same principles apply at all levels and across all functions.

The Company continues to focus on 4 key risks, namely; strategy risk, financial risk, operational risk and compliance risk. More detail are as described in this Annual Report under Risk Factor Report, such as uncertainty situation arise from political, macro economy situation while 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 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 STATEMENT**

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, 2018.

(Mr. Suthikiati Chirathivat)
Chairman

(Mr. Thirayuth Chirathivat)
Chief Executive Officer

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED

To the Shareholders of Central Plaza Hotel Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Central Plaza Hotel Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Central Plaza Hotel Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Plaza Hotel Public Company Limited and its subsidiaries and of Central Plaza Hotel Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

I draw attention to Note 4 to the financial statements regarding the corrections of the Group’s prior year errors in relation to subsidiary’s joint investment and long-term loan to such entity. The investment and the long-term loan should be classified as investment in joint venture due the existence of joint control and the nature of such long-term loan is investment. As a result, the Company restated the consolidated statement of financial position as at 31 December 2017, presented as comparative information, to reflect the adjustments. The Company did not present the consolidated of financial position as at 1 January 2017, as comparative information, because the investment in joint venture was made in 2017 and did not restate the consolidated statement of comprehensive income for the year

ended 31 December 2017 because such joint venture had not yet commenced its operation. Therefore, the effect of share of profit (loss) from joint venture is immaterial. My opinion is not qualified in respect of this matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

Revenue from hotel operations and food and beverage are significant accounts in the financial statements and represents 99.9 percent of consolidated total revenue. The revenue from hotel operations are recognised as income when services have been rendered and goods supplied. The revenue from food and beverage are recognised as income when goods supplied to customers. The revenue is derived from recurring daily transactions and the amounts recorded directly impact the Group’s annual profit and loss. Moreover, the Group has numerous customers in various categories with whom different commercial terms and conditions are applied. I have therefore focused on the Group’s revenue from hotel operations and food and beverage recognition.

I evaluated the revenue recognition by assessing and testing the internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I applied a sampling method to select revenue transactions occurring during the year and near the end of accounting period to examine the supporting documents, and I also reviewed credit notes issued after year-end. I circularised, on a sampling basis, request for confirmation of accounts receivable balances at the year-end, whereby for confirmation request

that no reply had been received, I had performed alternative procedures. In addition, I performed analytical procedures on disaggregated data to detect possible irregularities in revenue transactions throughout the year, particularly for accounting entries made through journal vouchers.

Impairment on investments in associate, subsidiaries and joint venture; and loans to subsidiaries and joint venture and goodwill

I have focused my audit on the consideration of impairment on investments in associate, subsidiaries and joint venture and loans to subsidiaries and joint venture and goodwill, as discussed in Note 7, 13, 14, 15 and 18 and accounting policies Note 5.5 and 5.11 to the financial statements. This is due to the 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, subsidiaries and joint venture and loans to subsidiaries and joint venture. 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. Due to the judgments involved in the assessment of the recoverable amount of investments, loans to, and goodwill required a high degree of judgement in estimating the cash inflows that are expected to be generated from that group of assets in the future including assumption the management’s used in review. I have therefore focused on the Group’s impairment on investments in associate, subsidiaries and joint venture; and loans to subsidiaries and joint venture and goodwill.

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. I assessed net assets value per unit and valuation report of investment in properties for investment in such associate by evaluating the qualifications, competency and independence of the independence of valuer. I also consider the assumption and valuation methodologies used in determining fair value of the investment in properties. I assessed the appropriateness of discount rate used by comparing to available comparable industry date and considered the adequacy in disclosures of in accordance with Thai Financial Reporting Standard.

In performing the impairment of investments in and loans to subsidiaries and joint venture, the recoverable amounts are estimated by using the projected cash flows, approved by

the management and assumptions used by the management. I assessed the process for identifying impairment indicator and gained understanding of impairment assessment. I assessed the appropriateness of the input data used in preparing cash flow projection. I also asses the appropriateness key assumption against external and internal data of the Group. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and of the industry. I considered the adequacy in disclosures of in accordance with Thai Financial Reporting Standard.

In performing the impairment review of goodwill, I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management’s decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and of the industry and involving internal expert to assist in the assessment of this information by comparing it to external sources based on an expert’s knowledge and past experience, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Other Matter

The consolidated financial statements of Central Plaza Hotel Public Company Limited and its subsidiaries and the separate financial statements of Central Plaza Hotel Public Company Limited as at and for the year ended 31 December 2017 (before restatement), presented as comparative information, were audited by another auditor who, under her report dated 22 February 2018, expressed an unqualified opinion on those financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED
(CONTINUED)

and my auditor’s report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor’s report.

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group’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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 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.

I am responsible for the audit resulting in this independent auditor’s report.



(Wichart Lokatekrawee)
Certified Public Accountant (Thailand) No. 4451
EY Office Limited
Bangkok: 25 February 2019

Central Plaza Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(Restated)			
Assets					
Current assets					
Cash and cash equivalents	8	1,281,542,645	701,414,234	139,810,991	20,697,919
Current investments	9	898,689,562	98,042,700	-	-
Trade and other receivables	7, 10	863,429,225	860,029,921	214,506,634	214,810,443
Short-term loans to other parties		-	7,464,440	-	-
Short-term loans to related parties	7	-	-	322,823,921	809,300,000
Dividend receivables from related parties	7	-	-	277,000,000	-
Inventories	11	844,818,650	807,076,407	28,679,944	25,798,823
Other current assets	12	160,793,372	176,494,728	34,656,439	58,283,500
Total current assets		4,049,273,454	2,650,522,430	1,017,477,929	1,128,890,685
Non-current assets					
Available-for-sale investments		901,589	1,177,331	-	-
Investment in an associate	13	533,619,372	526,614,321	527,634,858	526,614,321
Investments in subsidiaries	14	-	-	5,901,332,405	5,761,582,405
Investment in a joint venture	15	394,125,032	96,929,244	-	-
Long-term loan to related parties	7	-	-	2,139,177,259	2,217,050,000
Investment properties	16	392,780,467	408,855,459	238,063,631	250,983,448
Property, plant and equipment	17	17,627,995,954	17,884,381,588	3,969,880,578	4,059,547,795
Goodwill	18	314,602,238	314,602,238	-	-
Leasehold rights	19	1,941,086,748	2,103,217,954	1,192,616,898	1,240,229,366
Intangible assets	20	436,012,654	389,281,519	9,966,029	10,288,636
Deferred tax assets	35	86,445,049	83,184,766	-	20,385,267
Other non-current assets	21	670,607,251	578,542,803	6,547,293	5,386,362
Total non-current assets		22,398,176,354	22,386,787,223	13,985,218,951	14,092,067,600
Total assets		26,447,449,808	25,037,309,653	15,002,696,880	15,220,958,285

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

Central Plaza Hotel Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Restated)			
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	22	129,799,200	151,184,478	-	-
Trade and other payables	23	2,755,415,935	2,719,680,870	398,534,283	350,978,289
Current portion of deferred income	7	169,275,748	177,717,176	80,868,071	83,761,278
Current portion of long-term loans					
from financial institutions	24	234,143,580	235,302,480	-	-
Current portion of debentures	25	-	700,000,000	-	700,000,000
Short-term loans from related parties	7	-	-	414,373,397	1,272,900,000
Income tax payable		179,355,818	167,917,485	-	-
Other current liabilities	26	<u>224,275,096</u>	<u>252,968,660</u>	<u>41,275,358</u>	<u>70,700,629</u>
Total current liabilities		<u>3,692,265,377</u>	<u>4,404,771,149</u>	<u>935,051,109</u>	<u>2,478,340,196</u>
Non-current liabilities					
Long-term loans from financial institutions,					
net of current portion	24	2,379,567,798	1,537,724,660	1,491,834,207	494,616,760
Debentures, net of current portion	25	4,280,000,000	4,280,000,000	4,280,000,000	4,280,000,000
Long-term loans from related parties	7	52,328,547	60,988,982	-	-
Deferred income	7, 40.4	2,024,226,302	2,154,912,846	942,957,078	993,687,842
Deferred tax liabilities	35	208,571,216	184,718,782	1,724,471	-
Provision for long-term employee benefits	27	257,216,525	229,640,565	77,078,022	67,072,328
Provision for decommissioning	28	116,691,722	107,854,123	-	-
Other non-current liabilities		<u>16,907,306</u>	<u>18,328,422</u>	<u>14,394,208</u>	<u>15,610,095</u>
Total non-current liabilities		<u>9,335,509,416</u>	<u>8,574,168,380</u>	<u>6,807,987,986</u>	<u>5,850,987,025</u>
Total liabilities		13,027,774,793	12,978,939,529	7,743,039,095	8,329,327,221

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

Central Plaza Hotel Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		(Restated)			
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
1,350,000,000 ordinary shares of Baht 1 each		1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000
Issued and fully paid up					
1,350,000,000 ordinary shares of Baht 1 each		1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000
Share premium	29	970,000,000	970,000,000	970,000,000	970,000,000
Retained earnings					
Appropriated - statutory reserve	30	158,080,000	158,080,000	158,080,000	158,080,000
Unappropriated		10,293,247,029	8,943,095,580	4,781,577,785	4,413,551,064
Other component of shareholders' equity		130,824,299	119,676,668	-	-
Equity attributable to company's shareholders		12,902,151,328	11,540,852,248	7,259,657,785	6,891,631,064
Non-controlling interests of the subsidiaries		517,523,687	517,517,876	-	-
Total shareholders' equity		13,419,675,015	12,058,370,124	7,259,657,785	6,891,631,064
Total liabilities and shareholders' equity		26,447,449,808	25,037,309,653	15,002,696,880	15,220,958,285

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

Central Plaza Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues					
Revenues from hotel operations		9,363,988,641	8,921,805,047	2,477,310,948	2,235,275,511
Revenues from food and beverage		11,898,995,283	10,892,624,414	-	-
Rental income		114,612,529	114,612,529	50,333,333	50,333,333
Dividend income	7	-	-	1,248,857,930	867,117,880
Other income	31	390,557,450	416,295,399	322,989,910	382,230,475
Total revenues		21,768,153,903	20,345,337,389	4,099,492,121	3,534,957,199
Expenses					
Cost of hotel operation		5,911,810,337	5,664,471,487	1,644,855,642	1,438,399,578
Cost of sales - food and beverage		6,456,500,925	5,867,097,523	-	-
Selling expenses		851,316,758	766,124,495	280,823,298	245,598,015
Administrative expenses		5,666,233,472	5,290,274,016	800,366,134	699,452,745
Total expenses		18,885,861,492	17,587,967,521	2,726,045,074	2,383,450,338
Profit before share of profit from investments in associate and joint venture, finance cost and income tax expenses					
Share of profit (loss) from investments in associate and joint venture	13, 15	35,387,776	(34,534,963)	-	-
Profit before finance cost and income tax expenses		2,917,680,187	2,722,834,905	1,373,447,047	1,151,506,861
Finance cost	34	(204,614,887)	(223,877,715)	(169,002,658)	(166,118,229)
Profit before income tax expenses		2,713,065,300	2,498,957,190	1,204,444,389	985,388,632
Income tax expenses	35	(438,776,200)	(407,556,796)	(22,977,417)	(38,885,381)
Profit for the year		2,274,289,100	2,091,400,394	1,181,466,972	946,503,251

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

Central Plaza Hotel Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the year ended 31 December 2018

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Other comprehensive income:					
<i>Other comprehensive income reclassified or to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of					
financial statements in foreign currency		11,857,380	(150,282,890)	-	-
Gain (loss) on changes in value of available-for-sale					
investments		(275,742)	181,248	-	-
Less: Income tax effect	35	55,148	(36,250)	-	-
		(220,594)	144,998	-	-
Other comprehensive income reclassified or to be reclassified to profit or loss in subsequent periods					
		11,636,786	(150,137,892)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		(21,864,000)	-	(4,338,395)	-
Less: Income tax effect	35	4,372,800	-	867,679	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods					
		(17,491,200)	-	(3,470,716)	-
Other comprehensive income for the year					
		(5,854,414)	(150,137,892)	(3,470,716)	-
Total comprehensive income for the year					
		2,268,434,686	1,941,262,502	1,177,996,256	946,503,251
Profit attributable to:					
Equity holders of the Company					
		2,177,612,186	1,991,389,787	1,181,466,972	946,503,251
Non-controlling interests of the subsidiaries					
		96,676,914	100,010,607		
		2,274,289,100	2,091,400,394		
Total comprehensive income attributable to:					
Equity holders of the Company					
		2,171,268,615	1,879,103,133	1,177,996,256	946,503,251
Non-controlling interests of the subsidiaries					
		97,166,071	62,159,369		
		2,268,434,686	1,941,262,502		
Earnings per share					
	36				
Profit attributable to equity holders of the Company (Baht)		1.61	1.48	0.88	0.70
Weighted average number of ordinary shares (shares)					
		1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000

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

Central Plaza Hotel Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

Consolidated financial statements															(Unit: Baht)
Equity attributable to parent's shareholders															
Other components of equity															
Other comprehensive income															
Exchange															
differences on															
translation of															
financial															
statements in															
foreign currency															
investments															
available-for-sale															
Change in															
ownership															
interest in															
a subsidiary															
equity															
Total other															
components of															
shareholders'															
Total equity															
attributable to															
the shareholders															
of the Company															
Equity															
attributable to															
non-controlling															
interests of the															
subsidiaries															
Total															
shareholders															
equity															
Note	Share capital issued and fully paid	Share premium	statutory reserve	Appropriated - Retained earnings	Unappropriated	foreign currency	statements in	available-for-sale	investments	Change in	Total other	Total equity	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders equity	
	1,350,000,000	970,000,000	158,080,000	7,694,201,118	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			
	-	-	-	1,991,389,787	-	-	-	-	-	1,991,389,787	100,010,607	2,091,400,394			
	-	-	-	-	-	(112,431,652)	144,998	-	(112,286,654)	(112,286,654)	(37,851,238)	(150,137,892)			
	-	-	-	1,991,389,787	-	(112,431,652)	144,998	-	(112,286,654)	1,879,103,133	62,159,369	1,941,262,502			
	-	-	-	-	-	-	-	-	-	-	(132,565,798)	(132,565,798)			
37	-	-	-	(742,495,325)	-	-	-	-	-	(742,495,325)	-	(742,495,325)			
	-	-	-	-	-	-	-	-	-	-	(125,111,286)	(125,111,286)			
	1,350,000,000	970,000,000	158,080,000	8,943,095,580	8,943,095,580	(24,615,903)	870,571	143,422,000	119,676,668	11,540,852,248	517,517,876	12,058,370,124			
	Balance as at 31 December 2017														

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

Central Plaza Hotel Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2018

Consolidated financial statements													(Unit: Baht)
Equity attributable to parent's shareholders													
Other components of equity													
Other comprehensive income													
Exchange													
differences on													
translation of													
financial													
statements in													
foreign currency													
investments													
a subsidiary													
equity													
Total other													
components of													
shareholders'													
the shareholders													
of the Company													
Total equity													
attributable to													
non-controlling													
interests of the													
shareholders'													
Total													
shareholders' equity													
Note	Share capital issued and fully paid	Share premium	Retained earnings - Appropriated - statutory reserve	Unappropriated	foreign currency	statements in	available-for-sale	investments	interest in	ownership	Change in	Total other components of equity	Equity attributable to non-controlling interests of the shareholders' equity
	1,350,000,000	970,000,000	158,080,000	8,943,095,580	(24,615,903)	870,571	870,571	143,422,000	119,676,668	11,540,852,248	517,517,876	12,058,370,124	
	-	-	-	2,177,612,186	-	-	-	-	-	2,177,612,186	96,676,914	2,274,289,100	
	-	-	-	(17,491,202)	11,368,225	(220,594)	(220,594)	-	11,147,631	(6,343,571)	489,157	(5,854,414)	
	-	-	-	2,160,120,984	11,368,225	(220,594)	(220,594)	-	11,147,631	2,171,268,615	97,166,071	2,268,434,686	
37	-	-	-	(809,969,535)	-	-	-	-	-	(809,969,535)	-	(809,969,535)	
	-	-	-	-	-	-	-	-	-	-	(97,160,260)	(97,160,260)	
	1,350,000,000	970,000,000	158,080,000	10,293,247,029	(13,247,678)	649,977	649,977	143,422,000	130,824,299	12,902,151,328	517,523,687	13,419,675,015	

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

Central Plaza Hotel Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2018

Separate financial statements													(Unit: Baht)
Share capital issued and fully paid													
Share premium													
statutory reserve													
Unappropriated													
Total shareholders' equity													
	1,350,000,000	970,000,000	158,080,000	4,209,543,138	6,687,623,138								
	-	-	-	946,503,251	946,503,251								
	-	-	-	-	-								
	-	-	-	-	-								
	-	-	-	-	-								
	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 the financial statements.

Central Plaza Hotel Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2018

	Separate financial statements				(Unit: Baht)
	Share capital issued and fully paid	Share premium	Retained earnings	Total	
			Appropriated - statutory reserve	Unappropriated	shareholders' equity
Balance as at 1 January 2018	1,350,000,000	970,000,000	158,080,000	4,413,551,064	6,891,631,064
Profit for the year	-	-	-	1,181,466,972	1,181,466,972
Other comprehensive income for the year	-	-	-	(3,470,716)	(3,470,716)
Total comprehensive income for the year	-	-	-	1,177,996,256	1,177,996,256
Dividends to owners of the Company	-	-	-	(809,969,535)	(809,969,535)
Balance as at 31 December 2018	1,350,000,000	970,000,000	158,080,000	4,781,577,785	7,259,657,785

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

Central Plaza Hotel Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2018

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before tax	2,713,065,300	2,498,957,190	1,204,444,389	985,388,632
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	2,044,917,764	1,913,964,391	410,479,740	349,032,754
Allowance for doubtful accounts	1,178,029	6,469,761	470,886	4,144,730
Loss on disposals of buildings and equipment	94,056,803	114,772,140	19,556,779	15,385,973
Loss on write-off of intangible asset	1,235,356	2,086,271	4,222	1,374,589
Reversal of reduction cost of inventory to net realisable value	(75,569)	(1,856,395)	-	-
Loss on impairment of investment in an associate (reversal)	-	-	(5,075,212)	61,376,911
Loss on impairment of investment in a subsidiary	-	-	1,250,000	1,000,000
Loss on impairment of loan to a related party	-	-	175,000,000	23,500,000
Share of (profit) loss from investments in an associate and a joint venture	(35,387,776)	34,534,963	-	-
Realisation of deferred income	(238,758,332)	(200,043,592)	(118,982,286)	(125,938,244)
Reversal of loss from discontinued branch	(14,639,835)	(8,643,466)	-	-
Dividend income	-	-	(1,248,857,930)	(867,117,880)
Provision for long-term employee benefits	31,091,244	26,783,158	13,290,514	8,074,017
Interest income	(33,190,777)	(40,367,871)	(83,301,819)	(107,602,489)
Interest expense	204,614,887	223,877,715	169,002,658	166,118,229
Profit from operating activities before changes in operating assets and liabilities	4,768,107,094	4,570,534,265	537,281,941	514,737,222
Operating assets (increase) decrease				
Trade and other current receivables	(4,577,333)	45,748,243	(167,077)	17,876,721
Inventories	(37,666,674)	(24,459,792)	(2,881,121)	1,475,738
Other current assets	31,785,413	(18,695,273)	37,158,790	(37,468,370)
Other non-current assets	(89,379,872)	(33,007,646)	(1,910,540)	(195,439)
Operating liabilities increase (decrease)				
Trade and other payables	(75,823,944)	433,482,613	40,049,571	26,228,775
Other current liabilities	(28,693,564)	16,343,214	(29,425,271)	31,044,804
Deferred income	99,630,360	142,578,562	65,358,315	71,793,617
Cash paid for employee benefits	(25,379,284)	(15,699,359)	(7,623,215)	(8,081,168)
Decommissioning paid	(5,102,621)	(4,466,337)	-	-
Other non-current liabilities	(1,421,116)	(1,948,058)	(1,215,887)	(535,299)
Cash from operating activities	4,631,478,459	5,110,410,432	636,625,506	616,876,601
Cash paid for corporate income tax expenses	(418,401,827)	(328,483,635)	(13,531,729)	(14,477,715)
Net cash from operating activities	4,213,076,632	4,781,926,797	623,093,777	602,398,886

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

Central Plaza Hotel Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2018

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Decrease (increase) in current investments	(800,646,862)	55,703,350	-	-
Interest income	21,182,377	40,367,871	83,301,819	107,602,489
Cash received from repayment of loans to related parties	-	-	3,351,907,689	5,488,740,000
Loans to related parties	-	-	(2,962,558,869)	(4,977,040,000)
Investment and loan to a joint venture	(297,195,788)	(96,929,243)	-	-
Cash received from repayment of loans to other parties	7,464,440	5,000,000	-	-
Proceeds from disposal of buildings and equipment	4,625,967	3,792,418	451,723	438,341
Cash paid for property, plant and equipment	(1,344,615,296)	(1,371,116,931)	(146,390,062)	(115,623,465)
Cash paid for leasehold rights	(183,285,277)	(1,718,290,927)	(124,980,748)	(1,249,519,999)
Cash paid for intangible assets	(110,014,582)	(94,292,840)	(4,740,898)	(559,140)
Proceeds from redemption of investment in property fund	4,054,675	6,325,293	4,054,675	6,325,293
Dividend received from subsidiaries	-	-	947,529,880	840,275,932
Dividend received from an associate	24,328,050	26,841,949	24,328,050	26,841,948
Decrease (increase) in prepayment for construction	4,928,102	(6,202,807)	749,609	-
Increase share capital of a subsidiary	-	-	(141,000,000)	(160,000,000)
Net cash from (used in) investing activities	(2,669,174,194)	(3,148,801,867)	1,032,652,868	(32,518,601)
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans				
from financial institutions	(20,281,404)	(560,369,979)	-	(6,342,705)
Cash paid for interest expense	(205,888,367)	(232,026,682)	(165,354,882)	(176,493,298)
Dividends paid to owners of the Company	(809,969,535)	(742,495,325)	(809,969,535)	(742,495,325)
Decrease in non-controlling interests of subsidiaries				
from dividend payment of subsidiaries	(97,160,260)	(125,111,286)	-	-
Reduction of share capital of a subsidiary	-	(132,565,798)	-	-
Repayment of long-term loans to related parties	(8,660,435)	-	-	-
Repayments of debentures	(700,000,000)	(1,000,000,000)	(700,000,000)	(1,000,000,000)
Increase in short-term loans from personnel or related parties	-	-	1,885,850,806	2,008,300,000
Cash paid to short-term loans from personnel or related parties	-	-	(2,744,377,409)	(1,159,700,000)
Increase in long-term loans from financial institutions	1,086,395,798	1,216,857,727	997,217,447	494,616,760
Repayments of long-term loans from financial institutions	(235,950,254)	(344,423,814)	-	-
Net cash used in financing activities	(991,514,457)	(1,920,135,157)	(1,536,633,573)	(582,114,568)
Increase (decrease) in translation adjustments	27,740,430	(870,947)	-	-
Net increase (decrease) in cash and cash equivalents	580,128,411	(287,881,174)	119,113,072	(12,234,283)
Cash and cash equivalents at beginning of year	701,414,234	989,295,408	20,697,919	32,932,202
Cash and cash equivalents at end of year	1,281,542,645	701,414,234	139,810,991	20,697,919

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

Central Plaza Hotel Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2018

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Supplement disclosure of cash flows information				
Non-cash transactions				
Accounts payable for acquisition of buildings and equipment	221,346,584	108,514,095	7,281,620	3,422,973
Dividend receivable	-	-	277,000,000	-

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

Central Plaza Hotel Public Company Limited and its subsidiaries**Notes to consolidated financial statements****For the year ended 31 December 2018****1. General information**

Central Plaza Hotel Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and subsequently registered the change of its status to a public limited company under the Public Limited Companies Act, and domiciled in Thailand. The Company’s major shareholders during the financial year were Chirathivat group (61.9% shareholding) (2017: 62.7% shareholding). The Company is principally engaged to operate hotel business, hotel management and food and beverage business. The registered office address of the Company is at 1695 Phaholyothin Road, Chatuchak, Bangkok.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Subsidiaries directly held by the Company

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2018</u> Percent	<u>2017</u> Percent
Central Samui Beach Resort Co., Ltd.	Hotel	Thailand	100	100
Central Karon Village Co., Ltd.	Hotel	Thailand	100	100
Central Krabi Bay Resort Co., Ltd.	Hotel	Thailand	100	100
Central Hua Hin Beach Resort Co., Ltd.	Hotel	Thailand	63.9	63.9
Central World Hotel Co., Ltd.	Hotel	Thailand	100	100
Central Koh Kood Hotel Co., Ltd.	Not operate yet	Thailand	100	100
Central Hotel Management Co., Ltd.	Holding company	Thailand	100	100
Central Restaurants Group Co., Ltd.	Food and beverage	Thailand	100	100
Triplene Décor Co., Ltd.	Not operate yet	Thailand	100	100
Central Samui Hotel Management Co., Ltd.	Hotel	Thailand	100	100
Centara International Management Co., Ltd.	Holding company and hotel management	Thailand	100	100
S.P. Realty Had Farang Resort Co., Ltd.	Not operate yet	Thailand	100	100
S.P. Realty Pattaya Beach Co., Ltd.	Not operate yet	Thailand	100	100
Refresh Zone Co., Ltd.	Spa	Thailand	100	100
Centara Bangkok Convention & Exhibition Co., Ltd.	Not operate yet	Thailand	100	100
Centara International Management (Thailand) Co., Ltd.	Hotel management	Thailand	100	100
Karon Phuket Hotel Co., Ltd.	Hotel	Thailand	99.3	99.3
Cosi Hotel Co., Ltd.	Hotel	Thailand	100	100
Centara Import-Export Co., Ltd.	Import and export	Thailand	100	100
Cosi Hotel Management Co., Ltd.	Not operate yet	Thailand	100	100
Centara Loyalty Marketing Co., Ltd.	Offer privileges for customers	Thailand	100	100
Centara Learning Centre Co., Ltd.	Learning centre	Thailand	100	100
Kata Phuket Hotel Co., Ltd.	Hotel	Thailand	99	99
Centara Management Headquarter Limited	Hotel management	Thailand	100	100

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2018</u>	<u>2017</u>
			Percent	Percent
<u>Investment through Central Hotel Management Co., Ltd.</u>				
Central Sukhontha Hotel Co., Ltd.	Hotel	Thailand	100	100
Central Mae Sot Hill Hotel Co., Ltd.	Hotel	Thailand	98.4	98.4
Central Laundry Services Co., Ltd.	Not operate yet	Thailand	100	100
<u>Investment through Central Samui Beach Co., Ltd.</u>				
Central Samui Village Co., Ltd.	Hotel	Thailand	100	100
<u>Investment through Central Restaurants Group Co., Ltd.</u>				
CRG Manufacturing Co., Ltd.	Food and beverage	Thailand	100	100
CRG International Food Co., Ltd.	Food and beverage	Thailand	100	100
<u>Investment through Central Krabi Bay Resort Co., Ltd.</u>				
S.P. Realty Lanta Beach Co., Ltd.	Not operate yet	Thailand	100	100
<u>Investment through Centara International Management Co., Ltd.</u>				
Centara Maldives Pvt. Ltd.	Hotel	Maldives	75	75
R.M.L. Leisure Pvt. Ltd.	Hotel	Maldives	74	74
Centara (Shanghai) Hotel Management Co., Ltd.	Not operate yet	China	100	100
CIM for Hotel Management - Egypt, S.A.E.	Not operate yet	Egypt	100	100
<u>Investment through Centara Management Headquarter Limited</u>				
Centara Capital Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	100	100
<u>Investment through Centara Capital Limited</u>				
Lagoon Assets Private Limited	Not operate yet	Maldives	100	100

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

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

- 2.3 The separate financial statements present investments in subsidiaries, associate and joint venture under the cost method.

3. New financial reporting standards**(a) Financial reporting standards that became effective in the current year**

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

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

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

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

The management of the Company and its subsidiaries expects the adoption of this accounting standard to result in the following adjustments.

- Membership fee - The Company and its subsidiaries consider that the deferred income from membership fee consisted of the combination of distinct services provided and goods to sold to customer. The Company and its subsidiaries therefore have to separately recognised revenue once the obligation arising from each distinct services and goods is fulfilled on a straight line basis over a membership period.
- Commission paid to obtain a contract - The Company and its subsidiaries have determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses at the same time as the revenue under the contract is recognised. Under the previous accounting policy, the Company and its subsidiaries immediately recorded commission as selling expenses when the transaction occurred.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

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

4. Corrections of errors from the prior year

In 2018, the management of the Company and its subsidiary considered the recording of the Company's subsidiary's investment in Nakheel CT Deira Islands Hotel FZCO to determine whether the subsidiary and another investor had a joint control over that entity. From the consideration of investment transaction, the Company and its subsidiary noted that the joint control exists, and so the entity is deemed to be a joint arrangement in the form of a joint venture. Therefore, the Company reclassified its investment to investment in joint venture in the consolidated financial statements from investment in associate as previously presented. In addition, the management of the Company and its subsidiary reclassified a long-term loan to Nakheel CT Deira Islands Hotel FZCO which will be due in 2115 with no payment schedule to investment in joint venture because this loan is repayable within 99 years and is investment in nature.

As a result, the Company restated the consolidated statement of financial position as at 31 December 2017, presented as comparison information and did not present the consolidated of financial position as at 1 January 2017, as comparative information, because the investment in joint venture was made in 2017, and did not restate the consolidated statement of comprehensive income for the year ended 31 December 2017 because such joint venture had not yet commenced its operation, therefore, the effect from share of profit (loss) from joint venture is immaterial.

The amounts of adjustments affecting the statements of financial position were summarised below.

	(Unit: Baht)
	As at
	31 December 2017
	Consolidated
	financial statements
Statements of financial position:	
Decrease in long-term loans to related parties	(95,041,577)
Increase in a joint venture	96,929,244
Decrease in an associate	(1,887,667)

5. Significant accounting policies

5.1 Revenue recognition

Revenues from hotel operations and related services

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

Royalty programmes

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

The revenue from customer loyalty programme is recognised at fair value of such points upon redemption and fulfillment of obligation. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

Revenues from food and beverage

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

Rental income

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

Management fee income

Management fee income is recognised on an accrual basis in accordance with terms and conditions stipulated in the agreements.

Interest income

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

Dividend income

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

5.2 Cash and cash equivalents

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

5.3 Trade accounts receivable

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

5.4 Inventories

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

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

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

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

5.5 Investments

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

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

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

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

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

5.6 Investment properties

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

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

Buildings and building improvements	15 and 30 years
Equipment	15 years

No depreciation is provided on freehold land.

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

5.7 Property, plant and equipment/ Depreciation

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

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

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

Depreciation is included in determining income.

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

No depreciation is provided on land and assets under installation.

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

5.8 Borrowing costs

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

5.9 Leasehold rights

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

Amortisation is calculated over the term of each lease contract.

5.10 Intangible assets

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

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

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

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

5.11 Goodwill

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

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

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

5.12 Related party transactions

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

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

5.13 Long-term leases

Finance leases

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

Operating leases

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

5.14 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.15 Impairment of assets

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

An impairment loss is recognised in profit or loss.

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

5.16 Employee benefits*Short-term employee benefits*

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

*Post-employment benefits**Defined contribution plans*

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

Defined benefit plans

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

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

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

5.17 Provisions

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

5.18 Income tax

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

Current income tax

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

Deferred tax

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.19 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

6. Significant accounting judgements and estimates

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

Goodwill and intangible assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan [and other long-term employee benefit plans] is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

7. Related party transactions

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Rental income	-	-	2,930	2,930	Contractually agreed prices
Interest income	-	-	79,139	107,509	Bank interest rate
Management fee income	-	-	199,663	203,968	Contractually agreed prices
Income from loan guarantee	-	-	9,356	12,811	Contractually agreed prices
Dividend income	-	-	1,224,530	840,276	Dividend announcement
Interest expense	-	-	19,967	11,394	Bank interest rate
Other expenses	-	-	5,177	5,207	Agreed prices
Rental expense	-	-	6,974	6,974	Contractually agreed prices
Management fee expense	-	-	158,387	143,416	Contractually agreed prices

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2018	2017	2018	2017	
<u>Transactions with associated companies</u>					
Rental income	100,333	100,333	50,333	50,333	Contractually agreed prices
Dividend income	24,328	26,843	24,328	26,843	Dividend announcement
Rental expense	183,546	177,284	-	-	Contractually agreed prices
<u>Transactions with related companies</u>					
Rental income	14,279	14,279	-	-	Contractually agreed prices
Management fee income	13,747	15,183	-	-	Contractually agreed prices
Other income	18,157	18,310	-	-	Agreed prices
Rental expense	167,721	158,950	124,411	117,499	Contractually agreed prices
Electricity expense	36,500	34,823	36,500	34,823	Contractually agreed prices
Management fee expense	32,803	31,725	14,586	13,892	Contractually agreed prices
Other service fees	19,960	15,565	-	-	Agreed prices

As at 31 December 2018 and 2017, the balances of the accounts between the Company and those related parties were as follows:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade and other receivables - related parties (Note 10)				
Subsidiaries	-	-	34,142	47,038
Related companies (related by common directors)	21,549	43,511	3,132	2,226
Total trade and other receivables - related parties	21,549	43,511	37,274	49,264
Dividend receivables - related parties				
Subsidiaries	-	-	277,000	-
Total dividend receivables - related parties	-	-	277,000	-
Trade and other payables - related parties (Note 23)				
Subsidiaries	-	-	12,398	21,658
Related companies (related by common directors)	4,938	27,705	84	344
Total trade and other payables - related parties	4,938	27,705	12,482	22,002

Loans to related parties

As at 31 December 2018 and 2017, the balance of short-term and long-term loans to related parties and the movements are as follows:

Loans to related parties	Interest rate		(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Percent per annum)		(Restated)			
Short-term loans						
Subsidiaries	3.0	3.0 - 3.5	-	-	322,824	809,300
Long-term loans						
Subsidiaries	3.0	3.0 - 3.5	-	-	2,139,177	2,217,050
Total			-	-	2,462,001	3,026,350

Movements during the year ended 31 December 2018 and 2017 of loans to related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Restated)			
Loans to related parties				
Subsidiaries				
At 1 January	-	-	3,049,850	3,561,550
Increase	-	-	2,962,559	4,977,040
Decrease	-	-	(3,351,908)	(5,488,740)
Total	-	-	2,660,501	3,049,850
Less: Allowance for doubtful debts	-	-	(198,500)	(23,500)
At 31 December	-	-	2,462,001	3,026,350

Loans from subsidiary companies

As at 31 December 2018 and 2017, the balance of short-term and long-term loans from related parties are as follows:

Loans from related parties	Interest rate		(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Percent per annum)					
Short-term loans						
Subsidiaries	1.4 - 3.0	2.0 - 3.0	-	-	414,373	1,272,900
Long-term loans						
Other related parties	3.0	3.0	52,329	60,989	-	-
Total			52,329	60,989	414,373	1,272,900

Movements during the year ended 31 December 2018 and 2017 of loans from related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term loans				
Subsidiaries				
At 1 January	-	-	1,272,900	424,300
Increase	-	-	1,885,850	2,008,300
Decrease	-	-	(2,744,377)	(1,159,700)
At 31 December	-	-	414,373	1,272,900
Long-term loans				
Other related parties				
At 1 January	60,989	66,382	-	-
Decrease	(8,660)	-	-	-
Effect on exchange rate	-	(5,393)	-	-
At 31 December	52,329	60,989	-	-

Loan 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.

Significant agreements with related partiesLong-term lease agreements**The Company****Centara Grand at Central Plaza Ladprao Bangkok**

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

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

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

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

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

The Subsidiaries**Centara Grand Beach Resort Samui Project**

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

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

- 1) Central Samui Beach Resort Co., Ltd. ("CSBR") entered into the land lease agreement with CTARAF for lease the land to CTARAF for the period of 30 years commencing from the date on which both parties register the lease agreement (26 September 2008). CTARAF agreed to pay the land lease fee in the total amount of Baht 1,500 million with full payment on the date on which the lease was registered. CSBR recognised such proceeds from lease as deferred income in its financial position and amortises to income using the straight line method over the lease term of 30 years. As at 31 December 2018, the balance of deferred income was Baht 987 million (2017: Baht 1,037 million) in the consolidated financial statements.
- 2) Central Plaza Hotel Public Company Limited ("CPH") entered into the property lease agreement with Centara Grand Beach Resort Samui Hotel, including the utility facilities and related equipment with CTARAF in order to lease to CTARAF for the period of 30 years commencing from the date that both parties registered the lease agreement (26 September 2008). CTARAF agreed to pay the property lease fee in the total amount of Baht 1,510 million with full payment on the date on which the lease was registered. CPH recognised such proceeds from lease as deferred income in the statement of financial position in consolidated and separate financial statements and amortises to income using the straight line method over the lease term of 30 years. As at 31 December 2018, the balance of deferred income was Baht 993 million (2017: Baht 1,044 million).

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

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

If CTARAF wishes to renew the land lease agreement and building lease agreement as in No.1) and No. 2) above when the lease period was due, CTARAF has to state its intention to CSBR and CPH, depending on the case, in writing within the 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.

On 24 March 2014, CSHM sent the letter of intent to exercise the right to continue lease of Centara Grand Beach Resort Samui Hotel in accordance with the renewal condition in the sublease agreement which was expired on 25 September 2014. Subsequently, on 23 September 2014, the Management Company of CTARAF informed CSHM that CTARAF and CSHM were required to mutually agree on a new fix rental rate for the renewal of the sublease agreement. The Management Company of CTARAF confirmed that new rental rate would be the same as the previous rental rate. Whereas CSHM proposed that new rental rate would be 100 percent of EBITDA. Therefore, the Management Company of CTARAF and CSHM could not agree on the new rental rate.

On 3 April 2015, the Management Company of CTARAF reported to the Stock Exchange of Thailand that CTARAF and CSHM were still unable to reach an agreement on the rental rate for the renewal of the sublease agreement, which was expired in September 2014.

On 19 May 2015, the Management Company of CTARAF reported to the Stock Exchange of Thailand that the Management Company announced the seeking of a new sublessee and invited the interested parties for bids. On 14 August 2015, the Management Company had reviewed bidding documents submitted but that the bids are not in the best interests of the Fund and/or unit holders. Thus, the Fund exercised a right to not select the bidder.

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

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

Central World Hotel Co., Ltd.

On 28 April 2005, Central World Hotel Co., Ltd. ("CWH") entered into a sublease agreement of hotel land and building with Thai Business Fund 4 ("the Fund") to develop and to operate a hotel or other related businesses. CWH is required to pay rental in advance and annual rental fee totalling Baht 1,188.8 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 2018, CWH recorded rental expense of Baht 38.3 million (2017: Baht 36.5 million).

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

Cosi Hotel Co., Ltd.

On 8 August 2016, Cosi Hotel Co., Ltd. ("COSI") entered into a land sublease agreement of Central Festival Samui Project with Central World Co., Ltd. ("CTW") to develop Cosi Hotel, Samui. COSI is required to pay sublease fees at Baht 62 million for the total 37 years 2 months sublease period and recorded the prepayment as leasehold right in the consolidated statement of financial position. For the year ended 31 December 2018, COSI has recorded rental expense of Baht 2.1 million (2017: Baht 2.3 million).

Future minimum lease payments under non-cancellable leases of the Company and its subsidiaries

The future minimum lease payments under non-cancellable leases were payable as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
In up to 1 year	780	540	132	125
In over 1 year and up to 5 years	1,693	1,171	612	743
In over 5 years	4,060	1,273	772	772
Total	6,533	2,984	1,516	1,640

Long-term service agreements

The Company

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

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

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

On 31 January 2014, the Company entered into a service agreement with Harn Central Department Store Co., Ltd. for a period of 1 year in order to receive information and various suggestions, which are beneficial to the Company. The Company agrees to pay service fee of Baht 1 million per month, the agreement is automatically renewable annually with a 5 percent increase of service fee every year.

On 28 November 2016 and 26 February 2018, the Company entered into a service agreement with Centara Management Headquarters Limited in order to receive regulatory services, order and control hotel operations under the hotel name. The agreement is effective from 1 July 2016 to 31 December 2017 and 26 November 2017 to 31 December 2018, respectively. 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.

The Subsidiaries

Central Sukhontha Hotel Co., Ltd. ("CHY") has entered into a rental and services agreement with Central Department Store Co., Ltd. for a period of 30 years ending on 31 May 2024. Central Department Store Co., Ltd. agreed to lease part of CHY's building as a shopping center. Total income to CHY throughout the agreement is approximately Baht 428 million. As at 31 December 2018, the balance of deferred income was Baht 83.3 million (31 December 2017: Baht 97.6 million) in the consolidated financial statements.

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

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

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

Long-term lease and service agreements

Central Restaurants Group Co., Ltd. ("CRG") had long-term lease and service agreements with related parties for periods of 3 to 30 years up to 2023. According to the terms of the agreements, CRG has to pay monthly rental and service charges at fixed rates or at certain percentages of gross sales as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	2018	2017
Operating lease commitments (only fixed rental and service fees and minimum lease payment)		
In up to 1 year	394	346
In over 1 year and up to 5 years	228	214
In over 5 years	24	23
Total	646	583

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated financial statements and separate financial statements			
	2018	2017	2018	2017
Short-term employee benefits	84	77	84	77
Post-employment benefits	2	2	2	2
Total	86	79	86	79

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash on hand	99,252	76,765	1,714	1,626
Cash at banks - current accounts	732,788	415,321	138,097	17,768
Cash at banks - savings accounts	219,368	207,975	-	1,304
Highly liquid short-term investments	230,135	1,353	-	-
Total	1,281,543	701,414	139,811	20,698

As at 31 December 2018, bank deposits carried interests between 0.13 and 1.40 percent per annum (2017: between 0.13 and 1.50 percent per annum).

9. Current investments

As at 31 December 2018 and 2017, the Company had current investments in trading securities as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
Fixed deposits	898,690	98,043
Total	<u>898,690</u>	<u>98,043</u>

As at 31 December 2018, fixed deposits carried interests between 1.50 and 1.75 percent per annum (2017: between 1.50 and 1.75 percent per annum).

10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade accounts receivable - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	280,978	318,619	68,074	82,409
Past due				
Not over 3 months	96,717	78,157	20,462	5,517
3 - 6 months	18,054	5,761	61	63
6 - 12 months	18,559	2,672	12,928	591
Over 12 months	11,989	13,396	762	1,181
Total trade accounts receivable - unrelated parties	426,297	418,605	102,287	89,761
Less: Allowance for doubtful debts	(12,664)	(11,486)	(4,981)	(4,511)
Total trade accounts receivable - unrelated parties, net	413,633	407,119	97,306	85,250
Trade accounts receivable - net	<u>413,633</u>	<u>407,119</u>	<u>97,306</u>	<u>85,250</u>
Other receivables				
Other receivables - related parties	21,549	43,511	37,274	49,264
Other receivables - unrelated parties	347,723	348,197	57,316	63,734
Prepaid expenses	73,404	56,592	22,611	16,562
Prepayment purchase of goods	7,120	4,611	-	-
Total other receivables	449,796	452,911	117,201	129,560
Total trade and other receivables - net	<u>863,429</u>	<u>860,030</u>	<u>214,507</u>	<u>214,810</u>

The normal credit terms granted by the Company and its subsidiaries ranges from 30 days to 45 days.

11. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Food and beverage	80,233	81,774	16,798	15,168
Raw materials	489,959	476,238	-	-
Work in process	5,829	3,204	-	-
Finished goods	7,972	7,095	-	-
Operating supplies	248,562	225,940	10,515	9,476
Others	14,795	15,432	1,367	1,155
	847,350	809,683	28,680	25,799
Less: allowance for obsolete stock	(2,531)	(2,607)	-	-
Net	<u>844,819</u>	<u>807,076</u>	<u>28,680</u>	<u>25,799</u>

Inventories recognised as an expense in**'cost of sales':**

- Cost	5,116,590	4,706,887	311,887	302,777
- Write-down to net realisable value				
(reversal of)	(76)	(1,856)	-	-
Net	<u>5,116,514</u>	<u>4,705,031</u>	<u>311,887</u>	<u>302,777</u>

12. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Withholding income tax and value added tax receivable	118,049	126,896	30,823	56,309
Undue input tax	42,394	49,239	3,833	1,875
Others	350	360	-	100
Total other current assets	<u>160,793</u>	<u>176,495</u>	<u>34,656</u>	<u>58,284</u>

13. Investment in an associate

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u>
Associate				
At 1 January	526,615	594,317	526,614	594,317
Share of profit (loss) of investment in an associate	35,387	(34,535)	-	-
Unit redeemed	(4,055)	(6,325)	(4,055)	(6,325)
Dividend income	(24,328)	(26,843)	-	-
Allowance of loss on impairment (increase) decrease	-	-	5,076	(61,378)
At 31 December	<u>533,619</u>	<u>526,614</u>	<u>527,635</u>	<u>526,614</u>

There were no acquisition and disposal of investment in an associate during the year ended 31 December 2018.

Investment in an associate as at 31 December 2018 and 2017, and dividend income for the year then ended, were as follows:

Company's name	Natures of business	Country of incorporation	Consolidated financial statements				(Unit: Thousand Baht)			
			Shareholding percentage		Paid-up capital		Cost		Carrying amounts based on equity method	
			<u>2018</u> (Percent)	<u>2017</u> (Percent)	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u> (Restated)
Centara Hotels & Resorts	Property fund	Thai	25.3	25.3	3,044,480	3,060,480	770,691	774,746	533,619	526,614
Leasehold Property Fund										
Total							<u>770,691</u>	<u>774,746</u>	<u>533,619</u>	<u>526,614</u>
									<u>24,328</u>	<u>26,843</u>

As at 31 December 2018, the closing price of Centara Hotels & Resorts Leasehold Property Fund was Baht 4.72 (2017: Baht 5.15). The fair value of investment in Centara Hotels & Resorts Leasehold Property Fund was Baht 383 million (2017: Baht 418 million).

Separate financial statements											(Unit: Thousand Baht)				
Company's name	Natures of business	Country of incorporation	Shareholding percentage		Paid-up capital		Cost		Allowance for impairment of investments			Carrying amounts based on equity method		Dividend received during the year	
			2018 (Percent)	2017 (Percent)	2018	2017	2018	2017	2018	2017		2018	2017	2018	2017
Centara Hotels & Resorts Leasehold Property Fund	Property fund	Thai	25.3	25.3	3,044,480	3,060,480	770,691	774,746	(243,056)	(248,132)	527,635	526,614	24,328	26,842	
Total							770,691	774,746	(243,056)	(248,132)	527,635	526,614	24,328	26,842	

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

14. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		(Unit: Thousand Baht) Dividend received during the year	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			(Percent)	(Percent)								
Direct subsidiaries												
Central Samui Beach Resort Co., Ltd.	670,000	670,000	100	100	814,383	814,383	-	-	814,383	814,383	194,300	130,650
Central Karon Village Co., Ltd.	37,500	37,500	100	100	76,500	76,500	-	-	76,500	76,500	9,375	6,750
Central Krabi Bay Resort Co., Ltd.	500,000	500,000	100	100	500,000	500,000	-	-	500,000	500,000	-	-
Central Hua Hin Beach Resort Co., Ltd.	185,000	185,000	63.9	63.9	198,905	198,905	-	-	198,905	198,905	112,395	94,648
Central World Hotel Co., Ltd.	1,800,000	1,800,000	100	100	1,800,000	1,800,000	-	-	1,800,000	1,800,000	-	-
Central Koh Kood Hotel Co., Ltd.	120,000	120,000	100	100	120,000	120,000	-	-	120,000	120,000	-	-
Central Hotel Management Co., Ltd.	250,000	250,000	100	100	250,000	250,000	-	-	250,000	250,000	-	-
Central Restaurants Group Co., Ltd.	620,000	620,000	100	100	669,607	669,607	-	-	669,607	669,607	277,000	267,500
Triplinen Decor Co., Ltd.	80,000	80,000	100	100	80,000	80,000	-	-	80,000	80,000	-	-
Central Samui Hotel Management Co., Ltd.	1,250	1,250	100	100	1,250	1,250	(1,250)	-	-	1,250	-	-
Centara International Management Co., Ltd.	150,000	150,000	100	100	150,000	150,000	-	-	150,000	150,000	187,500	60,000
S.P. Realty Had Farang Resort Co., Ltd.	88,500	88,500	100	100	88,500	88,500	-	-	88,500	88,500	-	-
S.P. Realty Pattaya Beach Co., Ltd.	80,000	80,000	100	100	80,000	80,000	-	-	80,000	80,000	-	-
Reifresh Zone Co., Ltd.	1,000	1,000	100	100	1,000	1,000	(1,000)	(1,000)	-	-	-	-

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		(Unit: Thousand Baht) Dividend received during the year	
	2018	2017	2018 (Percent)	2017 (Percent)	2018	2017	2018	2017	2018	2017	2018	2017
Direct subsidiaries (continued)												
Central Bangkok Convention & Exhibition Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-	-	1,000	1,000	-	-
Centara International Management (Thailand) Co., Ltd.	25,000	25,000	100	100	25,000	25,000	-	-	25,000	25,000	-	30,000
Karon Phuket Hotel Co., Ltd.	520,000	520,000	99.3	99.3	479,187	479,187	-	-	479,187	479,187	77,460	61,968
Cosi Hotel Co., Ltd.	171,000	30,000	100	100	171,000	30,000	-	-	171,000	30,000	-	-
Centara Import-Export Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-	-	1,000	1,000	-	-
Cosi Hotel Management Co., Ltd.	1,250	1,250	100	100	1,250	1,250	-	-	1,250	1,250	-	-
Centara Loyalty Marketing Co., Ltd.	12,500	12,500	100	100	12,500	12,500	-	-	12,500	12,500	12,500	15,000
Centara Learning Centre Co., Ltd.	2,500	2,500	100	100	2,500	2,500	-	-	2,500	2,500	-	-
Kata Phuket Hotel Co., Ltd.	120,000	120,000	99	99	170,000	170,000	-	-	170,000	170,000	29,700	23,760
Centara Management Headquarter Limited	210,000	210,000	100	100	210,000	210,000	-	-	210,000	210,000	324,300	150,000

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		(Unit: Thousand Baht) Dividend received during the year	
	2018	2017	2018 (Percent)	2017 (Percent)	2018	2017	2018	2017	2018	2017	2018	2017
Indirect subsidiaries												
Central Sukhontha Hotel Co., Ltd.	145,000	145,000	100	100	-	-	-	-	-	-	-	-
Central Samui Village Co., Ltd.	55,000	55,000	100	100	-	-	-	-	-	-	-	-
Central Mae Sot Hill Hotel Co., Ltd.	190,000	190,000	98.4	98.4	-	-	-	-	-	-	-	-
CRG Manufacturing Co., Ltd.	160,000	160,000	100	100	-	-	-	-	-	-	-	-
Central Laundry Services Co., Ltd.	1,500	1,500	100	100	-	-	-	-	-	-	-	-
CRG International Food Co., Ltd.	179,760	179,760	100	100	-	-	-	-	-	-	-	-
S.P. Realty Lanta Beach Co., Ltd.	36,000	36,000	100	100	-	-	-	-	-	-	-	-
Centara Maldives Pvt. Ltd.	797,223	797,223	75	75	-	-	-	-	-	-	-	-
R.M.L. Leisure Pvt. Ltd.	483,886	483,886	74	74	-	-	-	-	-	-	-	-
Centara (Shanghai) Hotel Management Co., Ltd.	62,257	48,385	100	100	-	-	-	-	-	-	-	-
CIM for Hotel Management Egypt, S.A.E.	577	577	100	100	-	-	-	-	-	-	-	-
Centara Capital Limited	74,807	74,807	100	100	-	-	-	-	-	-	-	-
Lagoon Assets Private Limited	1,070	1,070	100	100	-	-	-	-	-	-	-	-
Total					5,903,582	5,762,582	(2,250)	(1,000)	5,901,332	5,761,582	1,224,530	840,276

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

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2018 (Percent)	2017 (Percent)	2018	2017	2018	2017	2018	2017
<u>Subsidiary directly held by the Company</u>								
Central Hua Hin Beach Resort Co., Ltd.	36.05	36.05	94,261	110,225	48,037	45,989	(63,355)	(53,352)
<u>Subsidiary companies hold by Centara International Management Co., Ltd.</u>								
Centara Maldives Pvt. Ltd.	25.00	25.00	234,857	234,345	34,085	34,660	(32,965)	(71,088)
R.M.L. Leisure Pvt. Ltd.	26.00	26.00	50,482	35,745	13,640	18,422	-	-

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

Summarised information about financial position

	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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(Unit: Thousand Baht)											
Non-controlling interests percentage	36.05	36.05	25	25	26	26						
Current assets	276,382	264,810	229,480	227,067	171,186	169,839						
Non-current assets	104,472	160,056	1,182,884	1,323,718	1,210,344	1,315,216						
Current liabilities	(101,330)	(104,383)	(265,179)	(275,496)	(606,110)	(597,019)						
Non-current liabilities	(18,051)	(14,727)	(207,758)	(337,908)	(581,260)	(750,556)						
Net assets	261,473	305,756	939,427	937,381	194,160	137,480						
Carrying amount of non-controlling interests	94,261	110,225	234,857	234,345	50,482	35,745	7,356	7,304	130,568	129,899	517,524	517,518

Summarised information about comprehensive income

	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	
	2018		2017		2018		2017		2018		2017		2018	
	2018		2017		2018		2017		2018		2017		2018	
Revenue	632,856		609,165		760,327		782,705		866,635		910,289			
Profit	133,250		127,569		136,339		138,641		52,460		70,855			
Other comprehensive income	-		-		(2,432)		(112,492)		4,219		(37,416)			
Total comprehensive income	133,250		127,569		133,907		26,149		56,679		33,439			
Profit attributable to non-controlling interests	48,037		45,989		34,085		34,660		13,640		18,422		96,677	
Other comprehensive income attributable to non-controlling interests	-		-		(608)		(28,123)		1,097		(9,728)		489	

(Unit: Thousand Baht)

Summarised information about cash flows

	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	
	2018		2017		2018		2017		2018		2017		2018	
	2018		2017		2018		2017		2018		2017		2018	
Cash flows from operating activities	197,725		190,614		251,624		321,384		196,045		261,480			
Cash flows used in investing activities	(20,975)		(45,514)		(27,012)		(31,668)		(67,275)		(110,919)			
Cash flows used in financing activities	(175,050)		(148,005)		(261,416)		(321,907)		(155,154)		(129,090)			
Net increase (decrease) in cash and cash equivalents	1,700		(2,905)		(36,804)		(32,191)		26,384		21,471		(51,400)	

(Unit: Thousand Baht)

14.4 Change in investments in subsidiaries held by the Company and subsidiary companies

14.4.1 Additionally call-up share capital of subsidiaries held by the Company

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 30 April 2018, the Annual General Meeting of shareholders of Cosi Hotel Co., Ltd. (Subsidiary) passed a resolution to increase its registered share capital from Baht 30 million (0.3 million ordinary shares of Baht 100 each) to Baht 500 million (5 million ordinary shares of Baht 100 each) by issuing 4.7 million ordinary shares with par value of Baht 100. The Subsidiary registered the share capital increase with the Ministry of Commerce on 2 May 2018. This incremental registered share capital is 30 percent call-up or equivalent to Baht 141 million. Therefore, the total paid-up share capital of the subsidiary as at 31 December 2018 is Baht 171 million.

14.4.2 Additionally call-up share capital of subsidiaries held by subsidiary companies

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 Company and its subsidiaries, for a consideration of Baht 16.6 million.

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 Company and its subsidiaries.

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 Company and its subsidiaries, 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.

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

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

For the purpose of impairment testing for investments in subsidiaries, the Company and its subsidiaries determined the recoverable amount based on its value in use, determined by discounting the future cash flows to be generated from the continuing operations of each subsidiary by reference to 5 - 35 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.

15. Investment in a joint venture

15.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and another company. Details of this investment are as follows:

Joint ventures	Natures of business	Consolidated financial statements								(Unit: Thousand Baht)
		Shareholding percentage		Carrying amounts based on equity method		Long-term loans		Total		
		<u>2018</u> (Percent)	<u>2017</u> (Percent)	<u>2018</u>	<u>2017</u> (Restated)	<u>2018</u>	<u>2017</u> (Restated)			
Nakheel CT Deira Islands Hotel- FZCO	Hotel	40	40	1,887	1,887	392,238	95,042	394,125	96,929	
Total				1,887	1,887	392,238	95,042	394,125	96,929	

(Unit: Thousand Baht)

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

Loans to joint venture

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

Movements during the years ended 31 December 2018 and 2017 of loans to joint venture were as follows:

	Interest rate		(Unit: Thousand Baht) Consolidate financial statement	
	2018	2017	2018	2017
	(Percent)	(Percent)		
Joint venture				
At 1 January			95,042	-
Addition	6.5 - 7.8	6.6 - 6.8	297,196	95,042
At 31 December			392,238	95,042

15.2 Share of comprehensive income (loss)

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

Joint venture	(Unit: Thousand Baht) Consolidated financial statements	
	Share of profit (loss) from investment in joint venture during the year	
	2018	2017
Nakheel CT Deira Islands Hotel- FZCO	-	-

15.3 Summarised financial information about material joint venture

Summarised information about financial position

	(Unit: Thousand Baht)	
	Nakheel CT Deira Islands Hotel- FZCO	
	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	139,531	44,498
Other receivables	859,231	193,568
Work in process	420,205	2,028
Other payables	(442,457)	(2,028)
Net assets	976,510	238,006
Shareholding percentage	40%	40%
Share of net assets	390,604	95,226
Elimination entries	-	-
Carrying amounts of joint venture based on equity method	<u>390,604</u>	<u>95,226</u>

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	Nakheel CT Deira Islands Hotel- FZCO	
	<u>2018</u>	<u>2017</u>
Other income	227	-
Administrative expenses	(64)	-
Finance cost	(2)	-
Profit for the years	<u>161</u>	<u>-</u>
Total comprehensive income for the years		
Shareholding percentage	40%	40%
Share of profit for the years	-	-
Elimination entries	-	-
Share of profit from investment in joint venture for the years	<u>-</u>	<u>-</u>

16. Investment properties

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cost				
At 1 January	643,284	643,284	367,490	367,490
At 31 December	<u>643,284</u>	<u>643,284</u>	<u>367,490</u>	<u>367,490</u>
Accumulated depreciation				
At 1 January	(234,429)	(218,354)	(116,507)	(103,587)
Depreciation charge for the year	(16,075)	(16,075)	(12,920)	(12,920)
At 31 December	<u>(250,504)</u>	<u>(234,429)</u>	<u>(129,427)</u>	<u>(116,507)</u>
Net book value				
At 1 January	408,855	424,930	250,983	263,903
At 31 December	<u>392,780</u>	<u>408,855</u>	<u>238,063</u>	<u>250,983</u>

The fair value of investment properties in consolidated and separate financial statements as at 31 December 2018 of Baht 3,325 million and Baht 1,022 million, respectively (2017: Baht 3,325 million and Baht 1,022 million, respectively) were determined by independent professional valuers, by using the income method, determined by discounted cash flow using risk-adjusted discount rates. Inputs used in the fair value measurement are consisted of 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.

17. Property, plant and equipment

Cost	Consolidated financial statements							(Unit: Thousand Baht)	
	Furniture, fixtures and office equipment								
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress	Total
1 January 2017	2,410,744	747,665	15,872,393	6,712,381	448,763	822,698	226,583	330,355	30,715,921
Additions	-	4,083	403,823	224,111	94,225	-	7,456	618,746	1,474,227
Transfer in/(out)	-	9,227	464,520	120,533	1,999	1,337	644	(679,063)	(6,963)
Disposals	-	-	(269,886)	(101,972)	(49,249)	(20)	(17,000)	-	(473,358)
Effect of movements in exchange rates	-	(3,207)	(233,638)	(30,858)	(3,996)	-	(1,980)	5,680	(294,641)
31 December 2017	2,410,744	757,768	16,237,212	6,924,195	491,742	824,015	215,703	275,718	31,415,186
Additions	-	655	420,278	267,637	85,652	2,480	16,193	529,699	1,471,388
Transfer in/(out)	-	28,190	59,571	53,025	16	25,925	3,115	(203,344)	(17,419)
Disposals	-	-	(258,775)	(93,566)	(49,427)	(3,814)	(12,121)	(14,257)	(467,987)
Effect of movements in exchange rates	-	(236)	(12,303)	(3,799)	(2,025)	(9,558)	(564)	(694)	(29,472)
31 December 2018	2,410,744	786,377	16,445,983	7,147,492	527,690	839,048	222,326	587,122	32,371,696

Accumulated depreciation and impairment losses	Consolidated financial statements							(Unit: Thousand Baht)	
	Furniture, fixtures and office equipment								
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress	Total
1 January 2017	-	330,502	5,776,244	4,020,495	-	299,406	151,457	532	12,429,307
Depreciation for the year	-	27,007	811,852	422,175	-	52,181	13,863	-	1,533,200
Reversal of impairment losses	-	-	(8,895)	-	-	-	-	-	(8,895)
Transfer in/(out)	-	-	(135)	(603)	-	-	5	-	-
Disposals	-	-	(238,217)	(74,518)	-	-	(14,132)	-	(359,879)
Effect of movements in exchange rates	-	(485)	(58,024)	9,791	-	-	(948)	-	(62,929)
31 December 2017	-	357,024	6,282,825	4,377,340	-	351,587	150,245	532	13,530,804
Depreciation for the year	-	29,769	843,411	452,867	-	49,174	13,761	-	1,603,960
Reversal of impairment losses	-	-	(10,485)	-	-	-	-	-	(10,485)
Transfer in/(out)	-	-	(1,039)	(567)	-	-	-	-	-
Disposals	-	-	(243,283)	(84,193)	-	(1,101)	(11,655)	-	(373,678)
Effect of movements in exchange rates	-	(37)	(4,425)	(1,323)	-	-	(82)	-	(6,901)
31 December 2018	-	386,756	6,867,004	4,744,124	-	399,660	152,269	532	14,743,700
Net book value									
31 December 2017	2,410,744	400,744	9,954,387	2,546,855	491,742	472,428	65,458	275,186	17,884,382
31 December 2018	2,410,744	399,621	9,578,979	2,403,368	527,690	439,388	70,057	586,590	17,627,996
Depreciation for the year									
2017									1,533,200
2018									1,603,960

The gross amount of the Company and its subsidiaries' fully depreciated property, plant and equipment that was still in use as at 31 December 2018 amounted to Baht 5,461 million (2017: Baht 5,274 million).

Cost	Separate financial statements								(Unit: Thousand Baht)
	Furniture, fixtures and equipment								
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	office equipment	Hotel operating equipment	Leasehold improvements	Vehicles	
1 January 2017	774,987	287,607	2,077,817	1,156,411	538,227	126,496	812,105	77,277	5,888,449
Additions	-	3,481	17,451	19,668	5,144	35,736	-	237	112,831
Transfer in/(out)	-	8,551	5,990	5,845	1,146	-	-	-	(1,521)
Disposals	-	-	-	(5,208)	(2,750)	(12,892)	-	(7,631)	(28,481)
31 December 2017	774,987	299,639	2,101,258	1,176,716	541,767	149,340	812,105	69,883	5,971,278
Additions	-	-	5,343	24,675	9,156	26,140	2,437	6,518	151,046
Transfer in/(out)	-	6,066	-	16,970	269	-	25,927	-	(800)
Disposals	-	-	-	(4,149)	(2,109)	(16,652)	(3,814)	(870)	(27,594)
31 December 2018	774,987	305,705	2,106,601	1,214,212	549,083	158,828	836,655	75,531	6,093,930

	Separate financial statements								(Unit: Thousand Baht)	
	Furniture, fixtures and equipment									
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	office equipment	Hotel operating equipment	Leasehold improvements	Vehicles		
Accumulated depreciation										
1 January 2017	-	118,776	353,924	550,842	333,694	-	298,232	57,360	-	1,712,828
Depreciation for the year	-	15,037	38,167	68,829	37,524	-	48,659	3,343	-	211,559
Disposals	-	-	-	(2,607)	(2,419)	-	-	(7,631)	-	(12,657)
31 December 2017	-	133,813	392,091	617,064	368,799	-	346,891	53,072	-	1,911,730
Depreciation for the year	-	15,755	38,773	72,468	37,448	-	51,982	3,481	-	219,907
Disposals	-	-	(3)	(3,628)	(1,991)	-	(1,102)	(864)	-	(7,588)
31 December 2018	-	149,568	430,861	685,904	404,256	-	397,771	55,689	-	2,124,049
Net book value										
31 December 2017	774,987	165,826	1,709,167	559,652	172,968	149,340	465,214	16,811	45,583	4,059,548
31 December 2018	744,987	156,137	1,675,740	528,308	144,827	158,828	438,884	19,842	72,328	3,969,881
Depreciation for the year										
2017										211,559
2018										219,907

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2018 amounted to Baht 295 million (2017: Baht 291 million).

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 2018, the net book value of assets under sub-lease land agreement was Baht 2,014 million (2017: Baht 2,164 million).

18. Goodwill

Movements of the goodwill account during the year ended 31 December 2018 and 2017 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2018</u>	<u>2017</u>
Cost		
As at 1 January	314,602	314,602
As at 31 December	<u>314,602</u>	<u>314,602</u>

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

CGU

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

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

	Consolidated financial statements			
	Central Restaurants Group Co., Ltd.		CRG International Food Co., Ltd.	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(%)	(%)	(%)	(%)
Growth rate				
Year 1 - 5	11 - 13	6 - 11	5 - 10	5
After year 5	-	-	-	-
Gross margin	64	64	69	69
Discount rate	10.7	7.6	10.7	7.6

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 Company and its subsidiaries and average rate of the industry in which the Company and its subsidiaries operated.

19. Leasehold rights

A reconciliation of the net book value of leasehold rights as at 31 December 2018 and 2017 was presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
At 1 January	2,103,218	704,629	1,240,229	107,116
Additions	183,285	1,718,291	124,981	1,249,520
Effect of movements in exchange rates	(2,196)	(30,518)	-	-
Disposal	(2,025)	(4,802)	-	-
Amortisation charge for the year	(341,195)	(284,382)	(172,593)	(116,407)
At 31 December	<u>1,941,087</u>	<u>2,103,218</u>	<u>1,192,617</u>	<u>1,240,229</u>

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

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

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

20. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Computer software	License agreements	Deferred initial fees	Total
Cost				
1 January 2017	273,045	239,926	348,129	861,100
Additions	13,476	-	80,818	94,294
Transfer out	6,963	-	-	6,963
Write-off	(7,485)	-	(3,918)	(11,403)
Effect of movements in exchange rates	(291)	-	-	(291)
31 December 2017	285,708	239,926	425,029	950,663
Additions	33,926	-	76,089	110,015
Transfer out	17,419	-	-	17,419
Write-off	(29,824)	-	(8,520)	(38,344)
Effect of movements in exchange rates	(6,842)	-	-	(6,842)
31 December 2018	<u>300,387</u>	<u>239,926</u>	<u>492,598</u>	<u>1,032,911</u>
Accumulated amortisation				
1 January 2017	215,545	127,962	145,574	489,081
Amortisation	22,807	23,993	33,223	80,023
Reversal of loss from impairment	-	-	1,594	1,594
Accumulated amortisation of assets write-off	(6,058)	-	(3,259)	(9,317)
31 December 2017	232,294	151,955	177,132	561,381
Amortisation	17,158	23,991	38,143	79,292
Impairment loss from discontinued branches	(21)	-	(1,786)	(1,807)
Accumulated amortisation of assets write-off	(30,086)	-	(7,023)	(37,109)
Effect of movement in exchange rates	(4,859)	-	-	(4,859)
31 December 2018	<u>214,486</u>	<u>175,946</u>	<u>206,466</u>	<u>596,898</u>
Net book value				
31 December 2017	<u>53,414</u>	<u>87,971</u>	<u>247,897</u>	<u>389,282</u>
31 December 2018	<u>85,901</u>	<u>63,980</u>	<u>286,132</u>	<u>436,013</u>

(Unit: Thousand Baht)

	Separate financial statements	Computer software
Cost		
1 January 2017	94,543	
Additions	559	
Transfer in (out)	1,521	
Write-off	(5,572)	
31 December 2017	91,051	
Additions	3,944	
Transfer out	797	
Write-off	(28,923)	
31 December 2018	66,869	
Accumulated amortisation		
1 January 2017	77,098	
Amortisation	7,862	
Accumulated amortisation of assets write-off	(4,198)	
31 December 2017	80,762	
Amortisation	5,059	
Write-off	(28,918)	
31 December 2018	56,903	
Net book value		
31 December 2017	10,289	
31 December 2018	9,966	

21. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deposits	585,215	496,533	5,139	3,945
Advance payment for construction	10,436	15,364	-	750
Prepaid for car park service	61,540	65,936	-	-
Others	13,416	710	1,408	691
Total	<u>670,607</u>	<u>578,543</u>	<u>6,547</u>	<u>5,386</u>

22 Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Bank overdrafts - unsecured	-	6.9 - 7.4	-	4,120
Short-term loans from financial institutions - secured	3.1 - 4.3	3.1 - 4.3	129,799	147,064
Total bank overdrafts and short-term loans from financial institutions			<u>129,799</u>	<u>151,184</u>

The borrowings include secured liabilities in the total amount of Baht 130 million (2017: Baht 147 million) in the consolidated financial statements. Loans from financial institutions are guaranteed by the Company and a director of the Company.

23. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade payables - other parties	800,425	891,197	66,530	59,920
Amounts due to related parties	4,938	27,705	12,482	22,002
Other payables	88,050	93,902	29,091	32,399
Payables for purchase of buildings and equipment	221,347	108,514	7,282	3,423
Guest deposits	553,007	531,177	140,003	126,384
Accrued expenses	1,087,649	1,067,186	143,146	106,850
Total trade and other payables	<u>2,755,416</u>	<u>2,719,681</u>	<u>398,534</u>	<u>350,978</u>

24. Long-term loans from financial institutions

	Interest rate		Consolidated		(Unit: Thousand Baht)	
	(percent per annum)		financial statements		Separate	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Long-term loans from financial institutions						
Secured	2.5 - 4.9	3.1 - 4.2	1,121,877	1,278,410	-	-
Unsecured	2.38 - 4.81	2.4 - 3.7	1,491,834	494,617	1,491,834	494,617
Total			2,613,711	1,773,027	1,491,834	494,617
Less: Portion due within one year			(234,144)	(235,302)	-	-
Total Long-term loans from financial institutions, net of current portion			<u>2,379,567</u>	<u>1,537,725</u>	<u>1,491,834</u>	<u>494,617</u>

The borrowings include secured liabilities in the total amount of Baht 1,122 million (2017: Baht 1,278 million) in the consolidated financial statements. Loans from financial institutions are guaranteed by the Company and a director of the Company.

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

As at 31 December 2018, the Company and its subsidiaries had unutilised credit facilities totalling Baht 3,583 million and Baht 1,866 million, respectively (2017: Baht 3,140 million and Baht 2,173 million, respectively).

Long-term loan of the Company

- a) In May 2017, the Company entered into a loan agreement with a local financial institution to be source of fund for investment in Dubai project and others, which are relevant to the project, with a loan credit facility of USD 64 million. As of 31 December 2018, the stated loan was drawn down in the total amount of USD 12.0 million. The principal is payable in installment term on a three-month basis, starting from the 45th month after the agreement signing date and the interest is payable on a three-month term basis. This loan is an unsecured loan carrying an interest at the rate specified in the agreement and contains covenants in various matters, including of the maintenance of financial ratios. As at 31 December 2018, the outstanding balance of the aforesaid loan is USD 12.0 million (2017: USD 2.9 million).
- b) In June 2017, the Company entered into a loan agreement with a local financial institution for a loan of Baht 400 million with a three-years repayable term from the drawdown date. The loan carries interest at the specified rate in the agreement with six-month payable. This loan is an unsecured loan and has condition of maintaining financial ratios that the Company must comply. As at 31 December 2018, the outstanding balance of the aforesaid loan is Baht 400 million (2017: Baht 400 million).
- c) In September 2018, the Company entered into a loan agreement with a local financial institution for a loan of Baht 700 million with a three-years repayable term from the drawdown date. The loan carries interest at the specified rate in the agreement with six-month payable. This loan is an unsecured loan and has condition of maintaining financial ratios that the Company must comply. As at 31 December 2018, the outstanding balance of the aforesaid loan is Baht 700 million.

Long-term loan of the subsidiaries

- d) A foreign subsidiary entered into a loan agreement with a local financial institution for a loan credit line of USD 20 million and USD 9 million. The loans were withdrew during 2013 and 2015 with a three-month payment term for interest. Such loan has an interest at the specified rate as well as terms and conditions to maintain financial ratios in the agreement. As at 31 December 2018, the outstanding loan is USD 13.4 million and USD 7.7 million respectively (2017: USD 15.9 million and USD 8.5 million respectively).

- e) A foreign subsidiary entered into a loan agreement with a local financial institution. The loan was withdrawn in March 2017 totalling USD 20.4 million with quarterly installments payable until 2022. The loan has interest at the specified rate in the agreement. The stated loan was guaranteed by a director and the parent company including condition of maintaining financial ratios that a parent company must comply. As at 31 December 2018, the outstanding balance of the aforesaid loan is USD 9.8 million (2017: USD 13.8 million).
- e) A subsidiary entered into a loan agreement with a local financial institution, loan credit line obtained by the subsidiary is in the amount of Baht 177 million and Baht 293 million. The loan was withdrawn during 2017 and 2018 in the amount of Baht 30 million and Baht 89.2 million, respectively with quarterly installments payable term within ten years from the first drawdown date. The stated loan has interest at the specified rate in the agreement with three months payable and was guaranteed by a parent company, including condition of maintaining financial ratios that a parent company must comply. As at 31 December 2018, the outstanding balance of the aforesaid loan is Baht 119.2 million (2017: Baht 30 million).

25. Debentures

	(Unit: Thousand Baht)			
			Consolidated and separate	
	Interest rate	Maturity date	financial statements	
	(Percent)		2018	2017
No. 1/2015	2.41	19 November 2018	-	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
			4,280,000	4,980,000
Debentures due within one year			-	(700,000)
Debentures due after one year			4,280,000	4,280,000

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

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

There were no issuance of debentures during the year ended 31 December 2018.

26. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deposits	2,176	1,995	22	-
Retentions	36,642	37,657	9,269	7,382
Withholding tax and value added tax payables	185,457	209,021	31,984	63,319
Others	-	4,296	-	-
Total other current liabilities	224,275	252,969	41,275	70,701

27. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year	229,641	218,557	67,072	67,079
Included in profit or loss:				
Current service cost	25,714	21,690	11,820	6,726
Interest cost	5,377	5,093	1,471	1,348
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	3,376	-	517	-
Financial assumptions changes	(15,943)	-	(2,925)	-
Experience adjustments	34,431	-	6,746	-
Benefits paid during the year	(25,379)	(15,699)	(7,623)	(8,081)
Provision for long-term employee benefits at end of year	257,217	229,641	77,078	67,072

The Company and its subsidiaries expect to pay Baht 27 million of long-term employee benefits during the next year (Separate financial statements: Baht 13 million) (2017: Baht 26 million, separate financial statements: Baht 8 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 10 years (Separate financial statements: 10 years) (2017: 11 years, Separate financial statements: 11 years).

Significant actuarial assumptions are summarised below.

	(Unit: Percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Discount rate	2.90	2.60	2.90	2.60
Salary increase rate	5.00 - 8.00	6.00 - 7.00	5.00 - 8.00	6.00 - 7.00
Turnover rate	5.00 - 35.00	5.00 - 35.00	5.00 - 35.00	5.00 - 35.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below.

	(Unit: Thousand Baht)							
	Consolidated				Separate			
	financial statements				financial statements			
	Liability increase (decrease)				Liability increase (decrease)			
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
	2018	2017	2018	2017	2018	2017	2018	2017
Discount rate	(15)	(15)	17	16	(3)	(3)	3	2
Salary increase rate	17	15	(15)	(14)	3	2	(3)	(3)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 58.4 million (The Company only: Baht 17.0 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective in 2019.

28. Provision for decommissioning

	(Unit: Thousand Baht)
	Consolidated financial statements
At 1 January 2017	97,471
Provision made	15,910
Provision used	(5,527)
At 31 December 2017	107,854
Provision made	13,940
Provision used	(5,102)
At 31 December 2018	116,692

29. Premium on shares

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

30. Statutory reserve

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

31. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Interest income	33,191	40,368	83,302	107,602
Management fee income	224,537	227,962	35,861	66,100
Service income	-	-	167,280	172,819
Income from loan guarantee of subsidiaries	-	-	9,356	12,811
Rental and other services income	2,652	2,367	9,475	10,118
Subsidy	12,560	12,541	-	-
Insurance claim and other compensations	-	44,790	-	-
Sale of used oil	17,041	14,959	-	-
Others	100,576	73,308	17,716	12,780
Total other income	<u>390,557</u>	<u>416,295</u>	<u>322,990</u>	<u>382,230</u>

32. Expenses by nature

Significant expenses classified by nature were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cost of food and beverage used	5,116,514	4,705,031	311,887	302,777
Employee benefit expenses	5,334,597	4,951,839	949,245	878,308
Royalty fee	551,349	502,041	-	-
Management fee	32,803	31,725	172,973	157,308
Land and buildings rental	1,908,569	1,766,273	9,160	9,357
Depreciation and amortisation	2,044,918	1,913,964	410,480	349,032

33. Employee benefit expenses

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Wages and salaries	3,677,191	3,263,339	621,231	516,952
Defined benefit plans	31,091	26,783	13,291	8,074
Defined contribution plans	48,047	47,599	22,351	22,155
Others	1,578,268	1,614,118	292,372	331,127
Total	<u>5,334,597</u>	<u>4,951,839</u>	<u>949,245</u>	<u>878,308</u>

34. Finance costs

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Interest expense:				
Subsidiaries	-	-	19,967	11,394
Bank overdrafts, loans and debentures	204,615	223,878	149,036	154,724
Total interest expense	<u>204,615</u>	<u>223,878</u>	<u>169,003</u>	<u>166,118</u>

35. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 were made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax				
Current income tax charge	409,372	377,092	-	12,631
Adjustment in respect of current income tax	4,065	(24,096)	-	(878)
Deferred tax				
Relating to origination and reversal of temporary differences	25,339	54,561	22,977	27,132
Income tax expenses reported in the comprehensive income statement	<u>438,776</u>	<u>407,557</u>	<u>22,977</u>	<u>38,885</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax for actuarial gain	4,373	-	868	-
Available-for-sale investments	55	(36)	-	-
Income tax income (expenses) charged to other comprehensive income	4,428	(36)	868	-

The reconciliation between accounting loss and income tax expenses was shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit before income tax expenses	<u>2,713,065</u>	<u>2,498,957</u>	<u>1,204,444</u>	<u>985,389</u>
Applicable tax rate	0 - 20%	0 - 20%	20%	20%
Accounting gain before tax multiplied by income tax rate	542,613	499,791	240,889	197,078
Effect of different tax rates in foreign jurisdictions	(11,279)	(12,389)	-	-
Effect of different tax rates in share of (profit) loss of investment in associates	(7,078)	6,907	-	-
Income not subject to tax	(2)	(2)	(249,772)	(173,424)
Profits subject to promotional privileges	(25,220)	(27,480)	-	-
Effects of:				
Non deductible expenses	6,907	24,915	36,366	19,457
Additional expense deduction allowed	(78,269)	(80,292)	(6,944)	(8,712)
Recognised of previously unrecognised tax losses	(12,019)	(266)	-	-
Others	4,697	10,561	2,438	5,364
Total	(78,684)	(45,082)	31,860	16,109
Current year losses for which no deferred tax asset was recognised	8,864	-	-	-
Deferred income tax initial recognition and reversal	(6,130)	-	-	-
Unrealised losses resulting from intergroup transaction	11,627	9,908	-	-
Adjustment in respect of under (over) record of income tax of prior year	4,065	(24,096)	-	(878)
Income tax expenses reported in the statement of comprehensive income	438,776	407,557	22,977	38,885

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

	(Unit: Thousand Baht)			
	Financial statements			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax assets				
Difference on depreciation	42,386	32,754	-	-
Financial lease liabilities	40,743	44,381	36,355	40,246
Employee benefit obligation	51,498	44,152	15,416	13,414
Loss carried forward	19,215	-	7,001	-
Others	25,803	26,049	996	902
Total	<u>179,645</u>	<u>147,336</u>	<u>59,768</u>	<u>54,562</u>
Deferred tax liability				
Difference on depreciation	(300,554)	(247,732)	(61,492)	(34,177)
Financial lease liabilities	(1,055)	(921)	-	-
Others	(162)	(217)	-	-
Total	<u>(301,771)</u>	<u>(248,870)</u>	<u>(61,492)</u>	<u>(34,177)</u>

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Asset		Liability	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Total	179,645	147,336	(301,771)	(248,870)
Set off of tax	(93,200)	(64,151)	93,200	64,151
Net deferred tax assets (liabilities)	<u>86,445</u>	<u>83,185</u>	<u>(208,571)</u>	<u>(184,719)</u>

	(Unit: Thousand Baht)			
	Separate financial statements			
	Asset		Liability	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Total	59,768	54,562	(61,492)	(34,177)
Set off of tax	(59,768)	(34,177)	59,768	34,177
Net deferred tax assets (liabilities)	<u>-</u>	<u>20,385</u>	<u>(1,724)</u>	<u>-</u>

As at 31 December 2018, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 180 million (2017: Baht 248 million), on which deferred tax assets have not been recognised as the Company and subsidiaries believe that the future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

36. Earnings per share

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

37. Dividends

At the annual general meeting of the shareholders of the Company held on 30 April 2018, the shareholders approved the appropriation of dividend of Baht 0.60 per share, totaling Baht 810 million. The dividend was paid to shareholders during 2018.

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, totalling Baht 742.5 million. The dividend was paid to shareholders during 2017.

38. Segment information

The Company and its subsidiaries have two reportable segments, as described below, which are the Company and its subsidiaries' 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 Company and its subsidiaries' reportable segments.

- Segment 1Hotel and related services operation
- Segment 2Food 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 Company and its subsidiaries' CODM. Segment profit after tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The Company and its subsidiaries are organised into business segments. During the current year, the Company and subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2018 and 2017, respectively.

	For the year ended 31 December						(Unit: Million Baht)			
	Hotel and related services operation		Food and ice-cream operation		Total		Adjustments and eliminations		Consolidated	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Sales and services income										
- Third parties	9,364	8,922	11,899	10,893	21,263	19,815	-	-	21,263	19,815
- Related parties	12	47	100	104	112	151	(112)	(151)	-	-
Total sales and services income	9,376	8,969	11,999	10,997	21,375	19,966	(112)	(151)	21,263	19,815
Cost of sales and services	(5,904)	(5,658)	(6,530)	(5,944)	(12,434)	(11,602)	66	70	(12,368)	(11,532)
Gross profit	3,472	3,311	5,469	5,053	8,941	8,364	(46)	(81)	8,895	8,283
Unallocated income (expenses):										
Other income	1,678	1,786	136	124	1,814	1,910	(1,309)	(1,379)	505	531
Selling expenses	(513)	(462)	(500)	(461)	(1,013)	(923)	162	157	(851)	(766)
Administrative expenses	(2,279)	(2,294)	(4,217)	(3,896)	(6,496)	(6,190)	830	900	(5,666)	(5,290)
Share of profit from investment in associates	35	(35)	-	-	35	(35)	-	-	35	(35)
Finance cost	(389)	(421)	(1)	-	(390)	(421)	185	197	(205)	(224)
Income tax expenses	(326)	(316)	(113)	(92)	(439)	(408)	-	-	(439)	(408)
Profit for the period	1,678	1,569	774	728	2,452	2,297	(178)	(206)	2,274	2,091

Geographic information

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

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

	(Unit: Million Baht)					
	Revenues		Segment results		Total assets	
	2018	2017	2018	2017	2018	2017
Thailand	19,748	18,273	2,263	2,088	46,147	45,075
Republic of Maldives	1,627	1,693	189	209	2,794	3,036
Eliminations	(112)	(151)	(178)	(206)	(22,474)	(23,074)
Total	21,263	19,815	2,274	2,091	26,447	25,037

Major customers

For the years 2018 and 2017, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

39. Provident fund

The Company, subsidiary companies and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Contribution are made monthly by the employee at rates ranging from 5% to 15% of their basic salaries and by the Company and its subsidiaries at rates ranging from 5% to 10% of the employees' basis salaries. The fund, which is managed by Krungthai Asset Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 by the Company and its subsidiaries amounting to approximately Baht 48 million (2017: Baht 47 million) were recognised as expenses, the Company only: Baht 22 million (2017: Baht 22 million).

40. Commitments and contingent liabilities**40.1 Capital commitments**

As at 31 December 2018 and 2017, the Company and its subsidiaries had capital commitments as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Hotel construction and renovation	294.0	326.5	41.4	1.9
Machinery and equipment	22.7	14.1	-	-
Leasehold improvement	10.8	24.8	-	-
Total	327.5	365.4	41.4	1.9

40.2 Operating lease and service commitments

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

As at 31 December 2018 and 2017, future minimum payments required under these non-cancellable operating lease contracts and other service contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Payable:				
In up to 1 year	665.9	606.5	-	-
In over 1 year and up to 5 years	965.3	947.9	-	-
In over 5 years	3,177.3	3,549.0	-	-

40.3 Guarantees**40.3.1 Bank guarantees**

As at 31 December 2018 and 2017, there were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries, in respect of the normal course of certain performance bonds as required in their business. The details of bank guarantees were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Guarantees for rental	76	103	59	88
Guarantee electricity use, among others	55	51	12	10
Total	131	154	71	98

40.3.2 Related parties guarantees

The Company

As at 31 December 2018, 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 2,462 million. As at 31 December 2018, the outstanding balance of these loans are Baht 1,252 million (2017: Baht 1,425 million).

Subsidiary

As at 31 December 2018, 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 (2017: Baht 55.8 million).

40.4 Other service commitments

A subsidiary entered into agreement with a company who manufactures carbonated beverage in Thailand. The subsidiary will receive supporting fund if the subsidiary follows conditions and restrictions stated in the agreement. The supporting fund received will be recorded as “deferred income” in the statement of financial position.

40.5 Contingent liabilities

On 12 July 2017, a subsidiary filed a lawsuit against a receivable (the objector) for a compensation of totaling Baht 209.8 million plus interest with respect to the unpaid management fees of Baht 51.2 million and for other damages on the grounds of breach of hotel management contract. On 27 December 2017, the objector filed a counterclaim rejecting to pay the compensation and demanded a compensation amounting to Baht 918.4 million plus interest for the damage arising from a fraud and a breach of contract by the subsidiary during the period in which it performed the management of the objector's hotel. On 30 April 2018, the subsidiary filed an objection against the claim of the objector. Presently, the claim for the compensation and the counterclaim are being considered by the arbitrator.

On 3 August 2018, the subsidiary was informed that the arbitration tribunal found, after studying the file of the case, that the settlement negotiations had been arranged on 9 May 2016 whereby the objector accepted that it had not paid for the hotel management fees and made some installment payments. The arbitrator therefore recommended the parties consider amicable settlement before proceed with the lawsuit. The management agreed to arrange the settlement. The management believed that the Company has a high probability that it would win the case. As at 31 December 2018, no provision for doubtful accounts and no provision for liabilities have been made in the financial statements.

41. Fair value hierarchy

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

		(Unit: Million Baht)							
		Consolidated financial statements							
		Level 1		Level 2		Level 3		Total	
		2018	2017	2018	2017	2018	2017	2018	2017
Financial assets measured at fair value									
Investments available-for-sale									
securities - debt instruments		-	-	1	1	-	-	1	1
Financial assets disclosure of fair value									
Investment properties		-	-	-	-	3,325	3,325	3,325	3,325
		(Unit: Million Baht)							
		Separate financial statements							
		Level 1		Level 2		Level 3		Total	
		2018	2017	2018	2017	2018	2017	2018	2017
Financial assets disclosure of fair value									
Investment properties		-	-	-	-	1,022	1,022	1,022	1,022

42. Financial instruments

42.1 Financial risk management

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

Credit risk

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

Interest rate risk

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

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

	Consolidated financial statements										(Unit: Million Baht)		
	Fixed interest rates			Floating interest rate			Non-interest bearing		Total			Effective interest rate (% per annum)	
	Within 1 year			1-5 years									
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>		<u>2018</u>	<u>2017</u>
Financial assets													
Cash and cash equivalents	-	-	-	-	450	209	832	492	1,282	701	0.13 - 1.4	0.13 - 1.5	
Current investments	899	98	-	-	-	-	-	-	899	98	1.5 - 1.75	1.5 - 1.75	
Trade and other receivables	-	-	-	-	-	-	863	860	863	860	-	-	
Short-term loans to other parties	-	7	-	-	-	-	-	-	-	7	-	3.0 - 7.0	
	899	105	-	-	450	209	1,695	1,352	3,044	1,666			
Financial liabilities													
Short-term loans from financial institutions	-	-	-	-	130	147	-	-	130	147	3.1 - 4.3	3.1 - 4.3	
Bank overdrafts	-	-	-	-	-	4	-	-	-	4	-	6.9 - 7.4	
Trade and other payables	-	-	-	-	-	-	2,755	2,720	2,755	2,720	-	-	
Long-term loans from related parties	-	-	52	61	-	-	-	-	52	61	3.0	3.0	
Long-term loans from financial institutions	-	-	-	-	2,614	1,773	-	-	2,614	1,773	2.4 - 4.9	2.4 - 4.2	
Debentures	-	-	4,280	4,980	-	-	-	-	4,280	4,980	2.1 - 3.4	2.1 - 3.4	

	Separate financial statements										(Unit: Million Baht)
	Fixed interest rates			Floating interest rate		Non-interest bearing		Total		Effective interest rate (% per annum)	
	Within 1 year		1-5 years								
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
Financial assets											
Cash and cash equivalents	-	-	-	-	-	2	140	19	140	21	0.13 - 1.5
Trade and other receivables	-	-	-	-	-	-	215	215	215	215	-
Dividend receivables	-	-	-	-	-	-	277	-	277	-	-
Short-term loans to related parties	323	809	-	-	-	-	-	-	323	809	3.0 - 3.5
Long-term loans to related parties	2,139	2,217	-	-	-	-	-	-	2,139	2,217	3.0
	2,462	3,026	-	-	-	2	632	234	3,094	3,262	3.0 - 3.5
Financial liabilities											
Trade and other payables	-	-	-	-	-	-	399	351	399	351	-
Short-term loans from related parties	-	-	414	1,273	-	-	-	-	414	1,273	1.4 - 3.0
Long-term loans from financial institution	-	-	-	-	1,492	495	-	-	1,492	495	2.4 - 3.7
Debentures	-	-	4,280	4,980	-	-	-	-	4,280	4,980	2.1 - 3.4
	-	-	4,694	6,253	1,492	495	399	351	6,585	7,099	2.1 - 3.4

Foreign currency risk

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

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

Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate as at 31 December	
	2018	2017	2018	2017	2018	2017
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	10	10	-	-	32.45	32.68
Yuan	1	1	-	-	4.78	5.01
Financial liabilities						
US dollar	49	54	12	3	32.45	32.68
Yuan	-	-	-	-	4.78	5.01

42.2 Fair values of financial instruments

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

43. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 0.97:1 (2017: 1.08:1) and the Company's was 1.07:1 (2017: 1.21:1).

44. Events after the reporting period

At the Board of Directors' meeting held on 25 February 2019, the Board passed a resolution for the approval of the annual dividend payment for the year 2018 at Baht 0.65 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 25 April 2019.

45. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 25 February 2019.

ANALYSIS AND EXPLANATION OF FINANCIAL STATUS AND OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2018

Central Plaza Hotel Pcl. (the “Company” or CENTEL) wishes to inform and clarify to the SET regarding the analysis of the Company’s operating performance results for Q4/2018 and the year ended December 31, 2018, with the following details:

- 1. Overview of the Tourism Industry in Thailand and the Maldives
- 2. Analysis of the Company’s Consolidated Performance Results and of the Operating Results for each respective Business Group
- 3. Financial Status of the Company
- 4. Factors that may impact ongoing business operations, and Business Trends for 2019

1. Overview of the tourism industry sector

1.1 Tourism Industry in Thailand

Total international tourist arrivals in Q4/2018 was 9.7 million, an increase of 4.3% compared to the same period last year - or Year-on-Year (YoY), resulting from the growth in the top 3 source markets for tourist arrivals, namely: Malaysia, India and Hong Kong. While at the same time, total tourist arrivals from China decreased by 10.5% YoY, due to the tourist boat accident in Phuket in July. However, since that tragic incident, the sign of a recovery for Chinese tourist arrivals could be seen in December, when there was a positive increase in the number of Chinese tourist arrivals.

For 2018, there was a total international tourist arrivals of 38.3 million, an increase of 7.9% YoY, mainly as a result of the YoY growth in tourists arrivals from China (+7.4%), Malaysia (+19.0%), and Hong Kong (+23.7%); whereby accounting for 27.5%, 10.7% and 2.7% of the total number of international tourist arrivals, respectively

1.2 Tourism Industry in the Maldives

Total Q4/2018 tourist arrivals was 403,815, an increase of 3.1% YoY. This mainly resulted from the overall increase in total tourist arrivals from Europe, accounting for 52.0% of total tourist arrivals, with the main groups of tourists being: Italian, English, and German - that increased by 17.6% YoY, 9.9% YoY and 3.9% YoY, respectively. At the same time, the total number of Chinese tourists decreased by 12.6% compared to the last year. However, Chinese tourists still remained the top rank, accounting for 15.1% of the total number of tourist arrivals.

For 2018, total tourist arrivals was 1,484,274, an increase of 6.8% YoY, that was mainly the result of the increase in tourists from Italy (+18.5% YoY), UK (+10.2% YoY), and Germany (+4.8% YoY). At the same time, the supply (number of hotel beds), as at December 31, 2018, was a total of 43,660 beds, an increase of 7.6% YoY.

2. Analysis of the Company’s Consolidated Performance Results and of the Operating Results
for each respective Business Group

2.1 Analysis of the Consolidated Operating Performance Results

Operating Performance Results - Q4/2018 vs Q4/2017

	(Amount - in Baht Million)					
	Q4/2018		Q4/2017		Changes YoY (Increase+ / Decrease-)	
	Amount	%	Amount	%	Amount	%
Revenues - hotel business ⁽¹⁾	2,465.6	44.7%	2,453.3	46.1%	12.3	0.5%
Revenues - food business	3,048.6	55.3%	2,867.1	53.9%	181.5	6.3%
Total Revenues	5,514.2	100.0%	5,320.4	100.0%	193.8	3.6%
Cost of Sale – Hotel Business	880.0	16.0%	883.9	16.6%	(3.9)	-0.4%
Cost of Sale – Food Business	1,493.4	27.1%	1,349.6	25.4%	143.8	10.7%
Total Cost of Sales ⁽²⁾	2,373.4	43.0%	2,233.5	42.0%	139.9	6.3%
Less: Selling and General Administrative Expenses	1,938.9	35.2%	1,913.0	36.0%	25.9	1.4%
Add: Share of Profit (Loss) from Investment (By Equity Method)	(2.6)	0.0%	0.5	0.0%	(3.1)	-620.0%
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	1,199.3	21.7%	1,174.4	22.1%	24.9	2.1%
Less: Depreciation & Amortization	(525.9)	-9.5%	(470.0)	-8.8%	55.9	11.9%
Earning before Interest and Tax (EBIT)	673.4	12.2%	704.4	13.2%	(31.0)	-4.4%
Less: Finance Costs	(48.9)	-0.9%	(54.6)	-1.0%	(5.7)	-10.4%
Less: Corporate Income Tax	(109.5)	-2.0%	(107.5)	-2.0%	2.0	1.9%
Less: Profit from Non-Controlling Interests	(30.0)	-0.5%	(35.8)	-0.7%	(5.8)	-16.2%
Core Operating Profit	485.0	8.8%	506.5	9.5%	(21.5)	-4.2%
Extraordinary Items :						
Extra Sharing Loss from Investment by Equity Method						
- Loss from Asset Appraisals	(3.9)	-0.1%	(64.9)	-1.2%	(61.0)	-94.0%
Net Profit	481.1	8.7%	441.6	8.3%	39.5	8.9%

(1) Includes income from the amortization of deferred rental income from the Centara Grand Beach Resort Samui, totaling Baht 25.3 million/Quarter.
(2) Cost of Sales EXCLUDES depreciation and amortization allocated as Cost of Sales

ANALYSIS AND EXPLANATION OF FINANCIAL STATUS AND OPERATING RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (continued)

Q4/2018: The Company achieved total consolidated revenues of Baht 5,514.2 million (Q4/2017: Baht 5,320.4 million), an increase of Baht 193.8 million (or 3.6%) Year-on-Year (YoY), mainly resulting from the increase in Food Business revenues. As such, the revenues mix between the Hotel Business and the Food Business was 45% : 55% (Q4/2017: 46% : 54%), while total consolidated gross profit was Baht 3,008.9 million (Q4/2017: Baht 2,928.8 million), an increase of 3.6% YoY. The Company achieved total consolidated EBITDA of Baht 1,199.3 million (Q4/2017: Baht 1,174.4 million), an increase of Baht 24.9 million (or 2.1%) from Q4/2017; whereby the achieved EBITDA margin decreased slightly to 21.7% (Q4/2017: 22.1%) as a result of the achieved EBITDA margin for the Food Business. Thus, the Company achieved a total consolidated net profit of Baht 481.1 million (Q4/2017: Baht 441.6 million), an increase of Baht 39.5 million (or 8.9%) YoY, resulting from the decrease in the shared losses from the investment in property fund by equity method (due to the loss from asset appraisals), totaling Baht 61.0 million

Operating Performance Results - 2018 vs 2017

(Amount - in Baht million)	2018		2017		Changes (Increase+/-/Decrease-)	
	Amount	%	Amount	%	Amount	%
Revenues - hotel business ⁽¹⁾ ⁽²⁾	9,764.3	44.9%	9,357.9	46.0%	406.4	4.3%
Revenues - food business	12,003.9	55.1%	10,987.6	54.0%	1,016.3	9.2%
Total Revenues	21,768.2	100.0%	20,345.5	100.0%	1,422.7	7.0%
Cost of Sale – Hotel Business	3,438.1	15.8%	3,329.2	16.4%	108.9	3.3%
Cost of Sale – Food Business ⁽³⁾	5,720.7	26.3%	5,174.2	25.4%	546.5	10.6%
Total Cost of Sales ⁽³⁾	9,158.8	42.1%	8,503.4	41.8%	655.4	7.7%
Less: Selling and General Administrative Expenses	7,682.3	35.3%	7,170.6	35.2%	511.7	7.1%
Add: Share of Profit from Investment (By Equity Method)	39.3	0.2%	30.3	0.1%	9.0	29.7%
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	4,966.4	22.8%	4,701.8	23.1%	264.6	5.6%
Less Depreciation and Amortization	(2,044.9)	-9.4%	(1,914.0)	-9.4%	130.9	6.8%
Earning before Interest and Tax (EBIT)	2,921.5	13.4%	2,787.8	13.7%	133.7	4.8%
Less: Finance Costs	(204.6)	-0.9%	(223.9)	-1.1%	(19.3)	-8.6%
Less: Corporate Income Tax	(438.8)	-2.0%	(407.6)	-2.0%	31.2	7.7%
Less: Profit from Non-Controlling Interests	(96.7)	-0.4%	(100.0)	-0.5%	(3.3)	-3.3%
Core Operating Profit	2,181.4	10.0%	2,056.3	10.1%	125.1	6.1%
Extraordinary Items :						
Extra Sharing Profit and Loss from Investment by Equity Method						
- Loss from Asset Appraisal	(3.9)	0.0%	(64.9)	-0.3%	(61.0)	-94.0%
Net Profit	2,177.5	10.0%	1,991.4	9.8%	186.1	9.4%

(1) Includes income from the amortization of deferred rental income from the Centara Grand Beach Resort Samui, totaling Baht 100.3 million

(2) Includes insurance claims payment for flood damages to the Centara Grand Phuket, totaling Baht 35.9 million, received in Q1/2017

(3) Cost of Sales excludes depreciation and amortization costs allocated as Cost of Sales

2018: The Company achieved total consolidated revenues of Baht 21,768.2 million (2017: Baht 20,345.5 million), an increase of Baht 1,422.7 million (or 7.0% YoY), resulting from the increased revenues for both the Hotel and Food Businesses; whereby the revenues mix between the Hotel Business and the Food Business was 45% : 55% (2017: 46% : 54%) and the achieved total gross profit was Baht 12,104.2 million (2017: Baht 11,311.0 million), an increase of Baht 793.2 million (or 7.0% YoY). The Company achieved total EBITDA of Baht 4,966.4 million (2017: Baht 4,701.8 million), an increase of Baht 264.6 million (or 5.6% YoY), with an achieved EBITDA margin of 22.8% that was a marginal decrease from the previous year (2017 :23.1%) due to the achieved EBITDA margin for the Food Business. As such, the Company achieved total consolidated net profit of Baht 2,177.5 million (2017: Baht 1,991.4 million), an increase of Baht 186.1 million (or 9.4% YoY), as a result of the decrease in the shared losses from the investment in property fund by equity method (due to the loss from asset appraisals), totaling Baht 61.0 million, together with the efficient financing cost management.

2.2 Analysis of the Operating Results for each respective Businesses Group

2.2.1 Hotel Business

As at December 31, 2018, CENTEL had a total of 68 hotel properties (with a total of 13,477 rooms) under its management in its Hotel Business portfolio, comprising of 39 hotels (7,563 rooms) that are already in operation together with 29 hotels (5,914 rooms) still under development. As such, of the total 39 hotels already in operation, 17 hotels (4,184 rooms) are own hotels and the remaining 22 hotels (3,379 rooms) are hotels operating under the Hotel Management Agreements.

Hotel Business: Q4/2018 Operating Results (for own hotels)

Occupancy Rate (OCC) %	Original group of hotels performance (excluding the CENTRA and COSI Hotels)			Total performance (including the CENTRA and COSI Hotels)		
	Q4/2018	Q4/2017	Changes - YoY	Q4/2018	Q4/2017*	Changes - YoY
Bangkok	84.8%	83.5%	1.3%	83.5%	83.5%	-
Upcountry	81.1%	83.3%	-2.2%	80.0%	83.3%	-3.3%
Maldives	92.1%	90.5%	1.6%	92.1%	90.5%	1.6%
Thailand - Average	82.2%	83.3%	-1.1%	81.1%	83.3%	-2.2%
Total - Average	82.8%	83.8%	-1.0%	81.8%	83.8%	-2.0%

Average Room Rate (ARR) Baht	Original group of hotels performance (excluding the CENTRA and COSI Hotels)			Total performance (including the CENTRA and COSI Hotels)		
	Q4/2018	Q4/2017	Changes - YoY	Q4/2018	Q4/2017*	Changes - YoY
Bangkok	3,502	3,587	-2.4%	3,239	3,587	-9.7%
Upcountry	4,118	4,174	-1.3%	3,984	4,174	-4.6%
Maldives	17,528	18,016	-2.7%	17,528	18,016	-2.7%
Thailand - Average	3,925	3,996	-1.8%	3,737	3,996	-6.5%
Total - Average	4,933	4,997	-1.3%	4,693	4,997	-6.1%

Revenue per Available Room (RevPAR) Baht	Original group of hotels performance (excluding the CENTRA and COSI Hotels)			Total performance (including the CENTRA and COSI Hotels)		
	Q4/2018	Q4/2017	Changes - YoY	Q4/2018	Q4/2017*	Changes - YoY
Bangkok	2,968	2,995	-0.9%	2,703	2,995	-9.8%
Upcountry	3,338	3,475	-3.9%	3,189	3,475	-8.2%
Maldives	16,141	16,310	-1.0%	16,141	16,310	-1.0%
Thailand - Average	3,225	3,330	-3.1%	3,033	3,330	-8.9%
Total - Average	4,086	4,188	-2.4%	3,840	4,188	-8.3%

*** Remarks:** Q4/2017 excludes the Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana. The Company recognized the operating result of this hotel, from November 26, 2017 to December 31, 2017, as Other Income. The operating result for the COSI Samui Chaweng Beach Hotel, being opened on December 1, 2017, is also excluded.

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Hotel Business: Operating Performance Results - Q4/2018

Hotel Business (In Baht Million)	Q4/2018	Q4/2017	Changes - YoY
Revenues from the Hotel Business	2,373.3	2,337.6	1.5%
Total Revenues (including other income)	2,465.6	2,453.3	0.5%
Gross Profit	1,493.3	1,453.7	2.7%
Gross Profit Margin %	62.9%	62.2%	0.7%
EBITDA	841.1	824.4	2.0%
EBITDA Margin %	34.1%	33.6%	0.5%
NET PROFIT	294.5	268.0	9.9%
Net Profit Margin %	11.9%	10.9%	1.0%

Q4/2018:

- o Total hotel business revenues was Baht 2,465.6 million, an increase of Baht 12.3 million (or 0.5%) from Q4/2017.

The operating results for the existing hotels: Achieved RevPAR decreased by 2.4% YoY to be at Baht 4,086, resulting from the decrease in achieved Occupancy Rate (OCC) from 83.8% to 82.8% in Q4/2018 together with the decrease in achieved Average Room Rate (ARR) by 1.3% YoY to be at Baht 4,933.

If the analysis included the operating results for the COSI Samui Chaweng Beach Hotel (an Affordable Lifestyle hotel) and also for the Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana (a 3-star hotel), then achieved RevPAR would decrease by 8.3% YoY to be at Baht 3,840 in Q4/2018, with also achieved Occupancy Rate (OCC) decreasing from 83.8% to 81.8% and achieved Average Room Rate (ARR) decreasing by 6.1% YoY to be at Baht 4,693.

- Bangkok: Achieved RevPAR for the existing 5-star hotels decreased by 0.9% YoY to be at Baht 2,968, despite achieved Occupancy Rate (OCC) increasing from 83.5% to 84.8%; but the achieved Average Room Rate (ARR) decreased by 2.4% YoY to be at Baht 3,502. However, total revenues for the Centara Grand and Bangkok Convention Centre at Central World continued to increase as a result of the growth in Meetings, incentives, conferences and exhibitions (MICE) business. If the operating result of the Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana (a 3-star hotel, with lower room rate) is included, it would result in the achieved RevPAR decreasing by 9.8% YoY to be at Baht 2,703, resulting from the 9.7% YoY decrease in achieved Average Room Rate (ARR) to be at Baht 3,239 together with the achieved Occupancy Rate remaining the same at 83.5%.
- Upcountry: Achieved RevPAR for the existing hotels decreased by 3.9% YoY to be at Baht 3,338. This resulted from the decrease in achieved Occupancy Rate (OCC) from 83.3% to 81.1%, while the achieved Average Room Rate (ARR) decreased by 1.3% YoY to be at Baht 4,118. The decrease in achieved RevPAR was due to the continuing impact of the tragic tourist boat accident in Phuket and also the cancellation of direct chartered flights from China to Koh Samui. However, if the operating result for the newly opened COSI Samui Chaweng Beach hotel (an Affordable Lifestyle hotel, with lower room rate), then achieved RevPAR would decrease by 8.2% YoY to be at Baht 3,189; whereby achieved Average Room Rate (ARR) would also decrease by 4.6% YoY to be at Baht 3,984 and the achieved Occupancy Rate (OCC) would decrease from 83.3% to 80.0%.
- Maldives: Achieved RevPAR decreased by 1.0% YoY to be at Baht 16,141. This result from achieved Average Room Rate (ARR) decreasing 2.7% YoY to be at Baht 17,528, while achieved Occupancy Rate (OCC) increased from 90.5% to 92.1%. In US-dollar currency term, the achieved RevPAR would decrease by 0.7% compared to the same period last year.
 - o In Q4/2018, the Company achieved total gross profit for the Hotel Business of Baht 1,493.3 million (Q4/2017: Baht 1,453.7 million), with an increase in achieved gross profit margin to 62.9% (Q4/2017: 62.2%) as a result of effective costs savings and controls. While, the achieved EBITDA margin increased to 34.1% (Q4/2017: 33.6%), which mainly resulted from the operating result of the Centara Grand and Bangkok Convention Centre at CentralWorld.

Hotel Business: 2018 Operating Results (for own hotels)

Occupancy Rate (OCC) %	Original group of hotels performance (excluding the CENTRA and COSI Hotels)			Total performance (including the CENTRA and COSI Hotels)		
	2018	2017	Changes - YoY	2018	2017*	Changes - YoY
Bangkok	84.4%	81.4%	3.0%	84.2%	81.4%	2.8%
Upcountry	81.8%	83.1%	-1.3%	80.7%	83.1%	-2.4%
Maldives	83.5%	84.4%	-0.9%	83.5%	84.4%	-0.9%
Thailand - Average	82.6%	82.6%	-	81.8%	82.6%	-0.8%
Total - Average	82.6%	82.7%	-0.1%	81.9%	82.7%	-0.8%

Average Room Rate (ARR) Baht	Original group of hotels performance (excluding the CENTRA and COSI Hotels)			Total performance (including the CENTRA and COSI Hotels)		
	2018	2017	Changes – YoY	2018	2017*	Changes - YoY
Bangkok	3,429	3,450	-0.6%	3,089	3,450	-10.5%
Upcountry	4,183	4,128	1.3%	4,052	4,128	-1.8%
Maldives	18,093	18,312	-1.2%	18,093	18,312	-1.2%
Thailand - Average	3,949	3,926	0.6%	3,728	3,926	-5.0%
Total - Average	4,899	4,897	-	4,620	4,897	-5.7%

Revenue per Available Room (RevPAR) Baht	Original group of hotels performance (excluding the CENTRA and COSI Hotels)			Total performance (including the CENTRA and COSI Hotels)		
	2018	2017	Changes - YoY	2018	2017*	Changes - YoY
Bangkok	2,892	2,810	2.9%	2,602	2,810	-7.4%
Upcountry	3,420	3,428	-0.2%	3,269	3,428	-4.6%
Maldives	15,102	15,464	-2.3%	15,102	15,464	-2.3%
Thailand - Average	3,260	3,241	0.6%	3,051	3,241	-5.9%
Total - Average	4,047	4,049	-0.1%	3,786	4,049	-6.5%

*** Remarks:** 2017 excludes the Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana. The Company recognized the operating result of this hotel, from November 26, 2017 to December 31, 2017, as Other Income. The operating result for the COSI Samui Chaweng Beach Hotel, being opened on December 1, 2017, is also excluded.

Hotel Business: Operating Performance Results - 2018

Hotel Business (In Baht Million)	2018	2017*	Changes - YoY
Revenues from the Hotel Business	9,364.0	8,921.8	5.0%
Total Revenues (including other income)	9,764.3	9,357.9	4.3%
Gross Profit	5,925.9	5,592.6	6.0%
Gross Profit Margin %	63.3%	62.7%	0.6%
EBITDA	3,433.7	3,275.6	4.8%
EBITDA Margin %	35.2%	35.0%	0.2%
NET PROFIT	1,432.3	1,286.1	11.4%
Net Profit Margin %	14.7%	13.7%	1.0%

* In Q1/2017, total revenues included the insurance claims payment for flood damages to the Centara Grand Beach Resort Phuket, totaling Baht 35.9 million.

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2018:

o Total Hotel Business Revenues was Baht 9,764.3 million, an increase of Baht 406.4 million (or 4.3%) compared to the same period last year.

For the existing hotels, achieved RevPAR decreased by 0.1% YoY to be at Baht 4,047. This was due to achieved Occupancy Rate (OCC) decreasing marginally from 82.7% to 82.6%, while the achieved Average Room Rate (ARR) was Baht 4,899. If the analysis also included the recently launched new hotels – namely: the COSI Samui Chawaeng Beach Hotel and the Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana, as shown above, the achieved RevPAR would decrease 6.5% YoY to be at Baht 3,786, as a result of the 5.7% YoY decrease in achieved Average Room Rate (ARR) to be at Baht 4,620, together with the decrease in achieved Occupancy Rate (OCC) from 82.7% to 81.9%.

- Bangkok: Achieved RevPAR for the existing 5-star hotels, located in Bangkok, increased by 2.9% YoY to be at Baht 2,892, due to achieved Occupancy Rate (OCC) increasing from 81.4% to 84.4%; while achieved Average Room Rate (ARR) was at Baht 3,429, a decrease of 0.6% YoY. If the operating performance for the newly launched Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana (a 3-star hotel, with lower room rate than the exiting 5-star hotels), then it will result in the achieved RevPAR, for all hotels located in Bangkok, to decrease 7.4% YoY to be at Baht 2,602 and the achieved Average Room Rate (ARR) to decrease 10.5% YoY; while the achieved Occupancy Rate (OCC) would increase from 81.4% to 84.2%.
- Upcountry: Achieved RevPAR for the existing hotels decreased 0.2% to be at Baht 3,420, resulting from achieved Occupancy Rate (OCC) decreasing from 83.1% to 81.8% but the achieved Average Room Rate increased 1.3% YoY to be at Baht 4,183. If the operating result of the new COSI Samui Chaweng Beach Hotel (an Affordable Lifestyle hotel, with lower room rate than the existing hotels), then the achieved RevPAR would decrease by 4.6% YoY to be at Baht 3,269 and the achieved Average Room Rate (ARR) would decrease by 1.8% YoY to be at Baht 4,052; while the achieved Occupancy Rate (OCC) would decrease from 83.1% to 80.7%.
- Maldives: Achieved RevPAR decreased 2.3% YoY; whereby the achieved Occupancy Rate (OCC) decreased slightly from 84.4% to 83.5% and the achieved Average Room Rate (ARR) also decreased 1.2% YoY to be at Baht 18,093 due to the appreciation of the Baht against the US dollar. In US-dollar currency term, the achieved RevPAR increased by 2.8% as a result of the increased in Average Room Rate (ARR) 4.0% when compared to the previous year.

o For 2018, the Company achieved total gross profit of Baht 5,925.9 million (2017: Baht 5,592.6 million), an increase of 6.0% YoY, with an achieved gross profit margin of 63.3%, that is an increase when compared to the same period last year (2017: 62.7%). At the same time, achieved EBITDA margin was 35.2%, an improvement compared to the previous year (2017: 35.0%); whereby total EBITDA was Baht 3,433.7 million, an increase of 4.8% YoY. Total net profit for the Hotel Business was Baht 1,432.3 million, an increase of 11.4% YoY.

2.2.2 Food Business

Food Business: Q4/2018 Operating Results

Same Store Sales (SSS) Growth	Q4/2018	Q4/2017
Top 4 brands	-1.6%	2.9%
Other 7 brands	-2.1%	2.1%
Total Average	-1.7%	2.9%
Total Systems Sales (TSS) Growth	Q4/2018	Q4/2017
Top 4 brands	5.5%	8.5%
Other 7 brands	13.2%	12.1%
Total Average	6.5%	8.9%

Number of Outlets	Q4/2018	Q4/2017
KFC	258	238
Mister Donut	357	336
Auntie Anne's	163	149
Ootoya	43	44
Pepper Lunch	39	32
Cold Stone	18	21
The Terrace	9	9
Chubuton	17	18
Yoshinoya	20	15
Tenya	8	7
Katsuya	24	20
Total	956	889

Food Business (in Baht Million)	Q4/2018	Q4/2017	Changes - YoY
Sales Revenues	3,009.0	2,824.7	6.5%
Total revenues (including other income)	3,048.6	2,867.1	6.3%
Gross Profit	1,515.6	1,475.1	2.7%
Gross Profit Margin %	50.4%	52.2%	-1.8%
EBITDA	358.2	350.0	2.3%
EBITDA Margin %	11.8%	12.2%	-0.4%
Net Profit	186.6	173.6	7.5%
Net Profit Margin %	6.1%	6.1%	-

Q4/2018:

o The Company achieved total food business revenues of Baht 3,048.6 million, an increase of Baht 181.5 million (or 6.3% YoY) from Q4/2017, with the achieved Total Systems Sales (TSS) growth of 6.5% (Q4/2017: 8.9%) that resulted from the net increase of 67 new QSR outlets (or 7.5% YoY) to be a total of 956 QSR outlets as at the end of 4/2018, despite Same System Sales (SSS) decreasing by 1.7% YoY (compared to the increase of 2.9% in Q4/2017), that was due mainly to the operations of the Mister Donut and Auntie Anne's.

o In Q4/2018 the Company achieved a gross profit of Baht 1,515.6 million (Q4/2017: Baht 1,475.1 million), which is equal to an achieved gross profit margin of 50.4% (Q4/2017: 52.2%), which decreased YoY due to the high costs of the sustained sales promotion campaigns together with increased food raw materials and logistics costs. Achieved total EBITDA was Baht 358.2 million, an increase of 2.3% YoY, and equaled to an achieved EBITDA Margin of 11.8% that decreased compared to the previous year (Q4/2017: 12.2%). The Company achieved total food business net profit of Baht 186.6 million, an increase of Baht 13.0 million (or 7.5% YoY).

Food Business: 2018 Operating Results

Same Store Sales (SSS) Growth	2018	2017
Top 4 brands	0.4%	-1.0%
Other 7 brands	-2.8%	0.8%
Total Average	0.1%	-0.9%
Total Systems Sales (TSS) Growth	2018	2017
Top 4 brands	8.2%	2.9%
Other 7 brands	16.2%	6.6%
Total Average	9.3%	3.4%

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Food Business (in Baht Million)	2018	2017	Changes - YoY
Sales Revenues	11,899.0	10,892.6	9.2%
Total revenues (including other income)	12,003.9	10,987.6	9.2%
Gross Profit	6,178.3	5,718.4	8.0%
Gross Profit Margin %	51.9%	52.5%	-0.6%
EBITDA	1,532.7	1,426.2	7.5%
EBITDA Margin %	12.8%	13.0%	-0.2%
Net Profit	745.2	705.3	5.7%
Net Profit Margin %	6.2%	6.4%	-0.2%

- 2018:**
- o The Company achieved total food business revenues of Baht 12,003.9 million, an increase of Baht 1,016.3 million (or 9.2% YoY); whereby achieved Total Systems Sales (TSS) growth was 9.3% (2017: 3.4%) and achieved Same Store Sales (SSS) growth was 0.1% YoY (2017: decreased by 0.9%). This recovery in the achieved SSS growth YoY deriving from the operations of the KFC, Ootoya, Tenya, Auntie Anne's and Katsuya as a result of the sustained sales promotions undertaken, the increased advertising campaigns via various media, together with the launch of new products and the increased variety of menu offerings.
 - o For 2018, the Company achieved total gross profits of Baht 6,178.3 million (2017: Baht 5,718.4 million), whereby this equaled to a gross profit margin of 51.9% (2017: 52.5%) that resulted in the achieved EBITDA margin of 12.8%, a marginal decrease compared to the previous year (2017: 13.0%). However, achieved EBITDA still increased by 7.5% YoY, totaling Baht 1,532.7 million, resulting from the increase in total revenues. The Company achieved a total food business net profit of Baht 745.2 million, an increase of Baht 39.9 million (or 5.7% YoY).

3. Financial Status

Financial Position and Cash Flow

- As at December 31, 2018, the Company had total assets of Baht 26,447.4 million, an increase from the end of 2017 of Baht 1,410.1 million (or 5.6%); whereby the primary reason was the increase in the amount of Cash and Cash Equivalent of Baht 580.1 million together with current investment of Baht 800.6 million and investment in a joint venture of Baht 297.2 million. While the total property, plant and equipment, together with leasehold rights decreased, partly due to the depreciation and amortization incurred during the year.
- Total Liabilities, as at December 31, 2018, was Baht 13,027.8 million, an increase from 2017 of Baht 48.8 million, (or 0.4%), which was mainly due to the increase in long term loans from financial institutions of Baht 840.7 million; while there was a repayment of debentures, totaling Baht 700.0 million.
- The Company had total shareholders' equity of Baht 13,419.7 million, an increase of Baht 1,361.3 million (or 11.3%) from the end of 2017, which mainly resulted from the achieved net profit during the year of Baht 2,274.3 million that was offset by the dividend payment of Baht 809.9 million together with the profit attributable to non-controlling interests totaling Baht 96.7 million.
- In 2018, the Company had total net cash flow from operations totaling Baht 4,213.1 million, a decrease of Baht 568.9 million (or 11.9%) compared to the same period last year as a result of the decrease in Trade and other payables totaling Baht 75.8 million, compared to an increase of Baht 433.5 million in 2017 that was largely due to trade payable - other parties, accrued expenses and guest deposits.
- Total net cash flow used in investing activities totaling Baht 2,669.2 million, mainly consisting of cash payments for purchase of property, plant and equipment totaling Baht 1,344.6 million, current investment totaling Baht 800.6 million and investment in a joint venture totaling Baht 297.2 million.
- While the Company had total net cash flow used in financing activities totaling Baht 991.5 million, due mainly to the dividend payment totaling Baht 907.1 million and the repayment of Debentures totaling Baht 700.0 million; while the net cash received from long-term loans from financial institutions increased by a total of Baht 850.4 million.

Analysis of Financial Ratios		
Financial Ratios	2018	2017
Liquidity Ratio (times)	1.1	0.6
Net Debt* to Equity Ratio (times)	0.7	0.8
Interest-Bearing Debt to Equity Ratio (times)	0.5	0.6
Remarks: * Excludes deferred income		

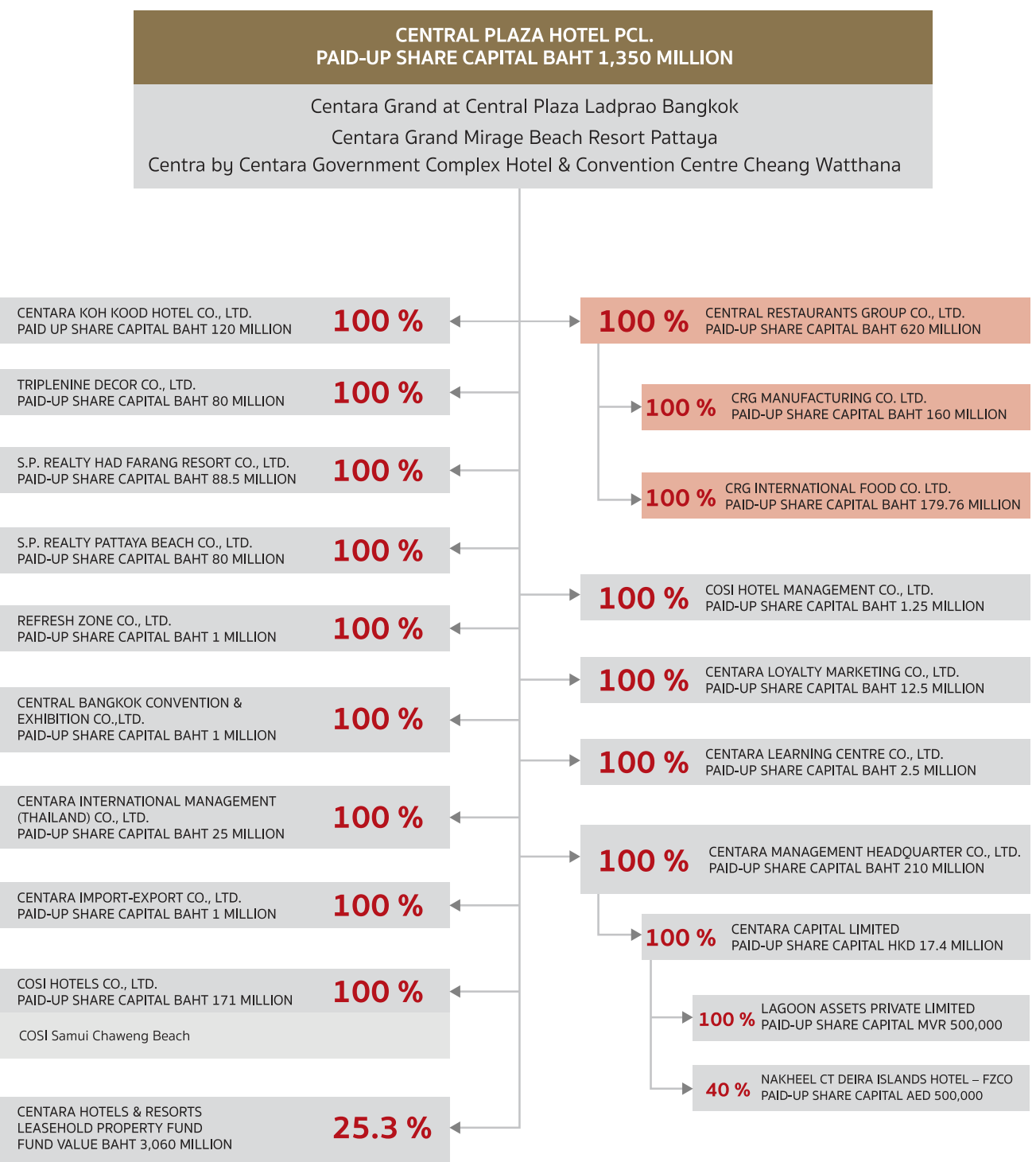
- In 2018, the Company had a liquidity ratio of 1.1 times, which is an increase when compared to the end of 2017, due mainly to the increase in cash and cash equivalent, together with current investment; while the Interest-Bearing Debt to Equity Ratio decreased from the end of 2017 (at 0.6 times) to 0.5 times at the end of 2018, resulting from the increased amount of total shareholders' equity.
- 4. Factors that may impact the ongoing business operations and Business Trends for 2019**
- Factors that may impact ongoing business operations
 - o The Cosi Pattaya Naklua Beach Hotel (282 rooms) is expected to start operations in September 2019.
 - o Hotel renovation plan of 2 hotel properties in 2019 are as follows:
 - Centara Grand and Bangkok Convention Centre at CentralWorld (512 rooms) that will start by the end of Q2/2019, which is expected to take a total of approximately 22 months; whereby rooms will be closed for renovations on a phased basis, with 3 floors in each phase that is equal to a total of 14% of the total number of rooms for avoidance of impact on the hotel operations. The achieved occupancy rate (OCC) for this hotel in 2018 was 85%. After renovation, the hotel will be able to increase room rates for the newly renovated rooms once they are reopened, on a phased basis, for guest occupancy.
 - Centara Grand Beach Resort Samui (203 rooms) will be closed for renovations from June 2019 onwards; whereby it will take approximately 12 months to complete the planned renovation. However, during the temporary closure for renovations, Central Samui Hotel Management Co., Ltd. will still need to pay the fixed rental of Baht 168 million p.a. to Centara Hotels & Resorts leasehold Property Fund. The Company also holds investment units in the aforementioned property fund totaling 25.34% of the total number of investment units. In addition, the total revenues for the Centara Grand Beach Resort Samui is equal to approximately 6% of the total hotel business revenues in 2018.

- Business Trends for 2019
 - o Hotel Business: Occupancy Rate (OCC) for the existing hotels in 2019 is expected to be approximately between 83% - 85%; while RevPAR is expected to increase by 4% - 6% compared to 2018. However, total hotel business revenues for 2019 is expected to increase by 2% - 3% YoY, which is lower than the expected increase in RevPAR for the year due to the complete closure for renovations of the Centara Grand Beach Resort Samui as mentioned above.
 - o Food Business: Same-Store-Sales (SSS) growth is expected to be by 3% - 4%; whereby the key positive factor is the scheduled General Election. Nevertheless, the continuing development of new products and menu offerings, sustained sales promotion campaigns, together with advertising campaigns to be undertaken will remain the main drivers for this expected food business growth. In addition, there will be ongoing expansion of new QSR outlets of approximately 80 - 90 (net), equal to an 8 - 9% increase YoY in 2019. This QSR outlets expansion does not include any outlets for the new QSR brand development, targeting to launch in 2019 yet.

BUSINESS STRUCTURE



*Owned by Central Krabi Bay Resort Co., Ltd.



REVENUE STRUCTURE

(Unit : Million Baht)

Business		Current % Holding	2018		2017		2016	
			Amount	%	Amount	%	Amount	%
Hotel	Revenues							
	Centara Grand at Central Plaza Ladprao Bangkok	--	975.1	4.5	1,055.8	5.2	1,055.6	5.3
	Centara Grand Mirage Beach Resort Pattaya	--	1,188.2	5.5	1,179.4	5.8	1,102.2	5.5
	Centra by Centara Government Complex Hotel & Convention Centre Cheang Watthana	--	314.0	1.4	-	-	-	-
	Centara Grand Beach Resort & Villas Hua Hin	63.9%	625.0	2.9	602.5	3.0	618.5	3.1
	Centara Grand Beach Resort Samui	100.0%	445.3	2.1	506.7	2.5	497.9	2.5
	Centara Hat Yai	100.0%	169.3	0.8	171.0	0.8	179.2	0.9
	Centra by Centara Hotel Mae Sot	98.4%	38.9	0.2	42.7	0.2	38.1	0.2
	Centara Villas Samui	100.0%	119.5	0.6	116.6	0.6	119.6	0.6
	Centara Villas Phuket	100.0%	102.3	0.5	98.1	0.5	94.4	0.5
	Centara Grand Beach Resort & Villas Krabi	100.0%	560.7	2.6	553.8	2.7	550.8	2.8
	Centara Grand & Bangkok Convention Centre at Central World	100.0%	1,860.0	8.5	1,588.5	7.8	1,603.0	8.0
	Centara Grand Beach Resort Phuket	100.0%	770.2	3.6	774.9	3.8	729.4	3.7
	Centara Karon Resort Phuket	99.3%	385.0	1.8	378.9	1.9	335.1	1.7
	Centara Kata Resort Phuket	99.0%	140.9	0.7	154.5	0.8	153.8	0.8
	Centara Grand Island Resort & Spa Maldives	74.0%	864.0	4.0	909.5	4.5	929.1	4.7
	Centara Ras Fushi Resort & Spa Maldives	75.0%	754.0	3.5	778.1	3.8	901.4	4.6
	COSI Samui Chaweng Beach	100.0%	51.6	0.2	1.2	0.0	-	-
	Others ⁽¹⁾	--	0.0	0.0	9.6	0.1	10.9	0.1
Total			9,364.0	43.4	8,921.8	44.0	8,919.0	45.0

(Unit : Million Baht)

Business		Current % Holding	2018		2017		2016	
			Amount	%	Amount	%	Amount	%
Food	Revenues							
	Mister Donut	100.0%	1,865.1	8.5	1,834.3	9.1	1,819.3	9.2
	KFC	100.0%	6,676.3	30.7	6,058.2	29.9	5,823.4	29.4
	Auntie Anne's	100.0%	830.3	3.8	780.0	3.9	752.0	3.8
	Pepper Lunch	100.0%	477.7	2.2	377.0	1.9	278.6	1.4
	Chabuton Ramen	100.0%	229.4	1.1	228.0	1.1	249.9	1.3
	Cold Stone Creamery	100.0%	101.6	0.5	120.0	0.6	123.6	0.6
	Yoshinoya	100.0%	226.3	1.0	189.8	0.9	196.8	1.0
	Ootoya	100.0%	864.0	4.0	786.0	3.9	795.9	4.0
	The Terrace	100.0%	105.7	0.5	118.2	0.6	143.4	0.7
	Tenya	100.0%	119.5	0.6	97.6	0.5	72.6	0.4
	Katsuya	100.0%	236.9	1.1	154.8	0.8	109.7	0.6
	Other sales revenues	100.0%	166.2	0.8	148.7	0.7	163.9	0.8
Total			11,899.0	54.8	10,892.6	53.9	10,529.1	53.2
Other income ⁽²⁾			404.9	1.8	430.6	2.1	357.8	1.8
Total revenues ⁽³⁾			21,667.9	100.0	20,245.0	100.0	19,805.9	100.0

Note:

- (1) Other revenues from hotel operations for the year 2018 are reclassified to other income⁽²⁾
- (2) Other income comprised hotel management fee, rental and service fee, marketing support fund and subsidy, etc.
- (3) Total revenues did not include amortization of rental income (from the property fund) relating to the Centara Grand Samui Hotel Project for the year 2018 of Baht 100.3 million (FY2017 and FY2016: Baht 100.3 million each).

RISK FACTORS

In business operations, Central Plaza Hotel Public Company Limited is fully aware that to accomplish its objectives and achieve its goals, there are uncertain factors involved, both internal and external, which may become risks in achieving business objectives as planned.

The Company has established the Enterprise Risk Management Unit and the Risk Management & Corporate Governance Committee according to the COSO ERM principles since 2006 and has developed the COSO ERM 2017 curriculum at present.

RISK FACTORS

1. Strategic Risk

The Company has established a long-term strategy for sustainable business development by aiming to create a balance of business and focusing on risk diversification through business expansion. The risks that are associated with the Company's business strategies comprise:

1.1 Risk from Domestic Investment

In order to mitigate the associated risks, such as failure to achieve expected return on investment, the success of project launch, changes in investment value, contractual obligation, laws & regulations compliance, as well as political uncertainties domestically, the Company has a dedicated investment team to conduct stringent due diligence, detailed feasibility study and project planning in collaboration with Sales & Marketing, Operation, Project Management teams and external experts/professionals as deemed necessary.

Finally, the Company has an investment committee at the management level to review all information and analysis relating to the investment projects and seeks for investment advice from director level before making an investment decision with appropriate approval level.

After the launch of each project, the Company monitors its performance periodically, such as occupancy rate, average room rate, revenue per available room, same store sales, profit margin and rates of return against the projection and/or target, to review its achievement. With the prudent work process aforementioned and conservative investment philosophy, the risk from domestic investment is well-contained.

1.2 Risk from Foreign Investment

Aspiring to be the leading global hospitality group, The Company has expanded investment strategy to the AEC countries, Indian Ocean and Middle East regions, together with selective key gateway cities to supplement its existing businesses and drive for long-term growth. Currently, the Company owned and operated 2 hotel properties in the Maldives: Centara Grand Island Resort & Spa Maldives and Centara Ras Fushi Resort & Spa Maldives. The Company is expanding more in the Maldives by acquiring the leasehold right of lagoon with a plan to develop 2 upscale resorts, totaling 310 rooms in the first phase. Furthermore, the Company is developing its first project in Dubai and exploring on feasibility studies for investment in other prospective countries, such as Japan and Vietnam.

In addition to the prudent work process as previously mentioned for the domestic investment, the Company also takes into account specific country risk, macro-economic, industry landscape, social environment, culture, taxation, laws and

regulations, and foreign exchange risk before marking investment decision. Moreover, the Company has formed joint ventures with business partners, who have in-depth local knowledge and extensive experience, to jointly develop business and strengthen such oversea expansion. The Centara Deira Islands Beach Resort Dubai, due to be opened in 2021, is an example of a joint venture with the leading real estate developer in Dubai. These risk management measures could mitigate risk from foreign investment.

1.3 Risks from intense Business Competition

Hotel Business

Due to the popularity in tourism among travelers over the world with increasing in number annually, more investors would want to join the hotel business venture to take market share from such upward trend. This resulted in the escalation of intense competition. Moreover, hotel industry may have been impacted by alternative choices of accommodations competitors such as Airbnb and Timeshare, as well as Online Travel Agency such as Agoda, Expedia, and Booking.com.

The Company are well aware that in order for the hotel business to achieve sustainable goals, it is vital to continuously develop and maintain the quality of hotel properties and services in order to ensure guest and customer satisfaction and gain trust from both society and all related stakeholders.

The Company has strategy to build up customer relationship in several ways such as Centara Privilege Club program and Centara The1 program, coupled with marketing strategy to enhance the brand to be widely known and trusted on a long-term basis.

Food Business

The restaurant business is highly competitive and this is becoming even more intense as time passes. Food business operators must constantly make improvements in terms of food, taste or providing new dining experiences to customers. The relatively low capital outlay attracts new large and small players into a restaurant business. This results in the increasing competition and drive existing entrepreneurs for constant self-improvement. The Company, as a leading restaurant operator in the country with over 40-year experience, is well aware of the situation and has therefore set a goal of maintaining its leadership status by improving the original products, issuing new products on a continual basis, adjusting the format of new branches to expand into more diverse areas, and doing research on the ever-changing customer needs to meet the current demands. Moreover, in the past year, the Company has expanded its distribution channels by focusing on delivery channels to meet the current consumer demand trends as consumers, in addition to eating out, ordering from home is also popular. The Company has therefore provided direct food delivery channels via telephone number, as well as a collaboration with other food delivery suppliers such as Grab, Lineman, Food Panda, etc. In addition, the Company plans to add more variety of restaurant types and to expand the food business internationally.

1.4 Risk from Expanding the Hotel Management Business

The Company aims to expand the hotel management business both locally and internationally according to the Company's long-term plan. The Company may face risks arising from management contracts being terminated prematurely or not renewing the

contract after the expiration of the original contract. This also applies to cases where hotels agree to renew the contract but under new less favorable conditions. In case of early termination by the hotel owners prior to maturity, the Company is entitled to cancellation fees. These risks are not expected to have significant impact on the overall revenue of the Company. In order to reduce the aforementioned occurrences with potential negative impact, the Company has reviewed strategies to elevate the standards of management, sales and marketing, operations, as well as information technology to increase competitiveness, re-building confidence and close relationships with the owners of management contracted hotels.

1.5 Risk from Macro Economy, Political Uncertainty, Natural Disasters and Catastrophe

The Company's operating performance and development plan could be adversely affected by several uncontrollable external factors such as global economic situations (US-China trade war, China's slowdown, Brexit, and Russian Ruble Crisis), soft domestic consumption and political instability/unrest. The Company utilizes various risk mitigation measures to minimize their adverse consequences on the Company's businesses; including but not limited to,

- Optimizing sales channels and sales mix for both hotel and food business;
- Strengthening its operations and operating system and diversifying its brand portfolio to cover potential market segments;
- Growing both asset light business with fee-based income (e.g. hotel management agreements) and asset right business, expanding coverage across AEC countries, Indian Ocean, and the Middle East for diversification;
- Preparing a Business Continuity Management Policy (BCM) and a Business Continuity Plan (BCP) for both corporate and departmental levels have been set. In addition, the plan will be regularly reviewed, determining the necessary backup systems and proper insurance arrangements.

1.6 Risk from Climate Change

The manifestations of climate change include higher temperatures, seasonal uncertainties, and more frequent or intense extreme events such as heatwaves, drought, flood, and storms. The global climate is changing, and will continue to change, in ways that could affect the operations of both hotel and food businesses of the Company. For example, an unusually hot summer in Northern Europe in 2018 deterred long-haul trips of European to Asian countries. The Company closely monitors this risk to assess the impact to its businesses and has established Business Continuity Management Policy (BCM) and a Business Continuity Plan (BCP) for both corporate and departmental levels. In addition, the plan will be regularly reviewed, determining the necessary backup systems and proper insurance arrangements.

1.7 Risk from Not Being Able to Secure Desired Locations for the Business

For hotel business, over 50% of total hotel revenues is deriving from the Company's hotel properties on leased land. In 2019, the lease term for Centara Grand Resort & Villas Hua Hin,

representing approximately 7% of total hotel revenues, will end in May 2019. In this case, the Company has the right to renew the lease agreements, with rental fees to be agreed upon. Currently, the Company is under negotiation with the landlord on the terms and Conditions of new lease agreement and still operates the hotel as usual. In order to mitigate this risk, the Company has been in compliance with all terms and conditions under lease agreements and has maintained close relationship with the landlords.

With an intense competition in food business and the good locations being considered as a key success factor in the food business, securing prime rental space in department stores or other locations is much more difficult and increasingly challenging. The Company may be unable to secure new rental space or renew existing leases with the same terms and conditions. However, the Company has strong business partnership with numerous lessors in Bangkok and other provinces. In addition, the Company is the leading food business operator in Thailand with popular branded food products and services that are in demand of the consumers which help attracting traffic into the department shores and/or shopping malls. Moreover, the Company has long good relationship with lessors with the excellent track record of rental payment, fully compliance with terms and conditions in the lease agreements and no any issues with the lessors. The Company therefore considers that such risks have no significant impact on the business operations of the Company.

1.8 The Risk of Franchise Agreement Not Being Renewed

The franchise agreement that the Company enters into is a contract with the franchisee is for a duration of between 10 to 20 years. Should the contract not be renewed, The Company will be unable to operate under the brand. However, in the franchisee selection process of the franchisor, the availability of various aspects will be primarily considered whether they be financial status, reputation, past performance, and so forth, in order to build confidence for franchisees that their brand will be successful. In considering the renewal of the franchise agreement, it also refers to such principles. From the past performance, the Company was fully able to comply with the conditions of the franchise provider, as proven by the Company's managerial success of the various number of brands, resulting in becoming a market leader in the food business in Thailand. The Company also conducts business under strict discussions with franchisees, therefore ensuring that the product of the franchisee that reaches the consumer is in accordance with the standards set by the franchisee. Based on the reasons mentioned above, the Company is quite confident that the opportunity is high when franchise agreements are to be renewed. In addition, the Company plans to add new brands, as well as their own brand in the future.

2. Financial Risk

The Company has a policy to maintain continuous growth both from the hotel and food businesses. In order to achieve this objective, there are financial risks involved as follows.

2.1 Liquidity Risk

The Company closely monitors liquidity status and conducts liquidity management for both short-term and long-term perspectives. In 2018, the Company had a liquidity ratio of 1.1 times, which is an increase when compared to the end of 2017. In order to support the inorganic growth plan through new investment and development with appropriate level of liquidity

risk, the Company has set internal limits for key gearing ratios; take for example, interest-bearing debt to equity should not exceed 1.5 times, which is lower than the required level stipulated in the terms and conditions of the debentures and loan agreements at 2.0 times. The Company also diversifies the concentration risk regarding the sources of fund in terms of financial instruments and financial institutions. At the end of 2018, the Company had total outstanding bank loans with 7 banks and had well-spread repayment maturity of debentures.

In addition, the Company regularly prepared a cash flow projection of the Company to evaluate a cashflow status and to ensure that the Company will have sufficient liquidity to operate the business, as well as investment expansion.

2.2 Foreign Exchange Risk

The Company and its affiliates have acquired a portion of income in foreign currency such as revenue from hotel management in foreign countries, dividends received from hotels in foreign countries, and income from travel agents in other countries. These incomes are subject to the foreign exchange rates. Certain expenditures are also incurred in foreign currencies, take for example, the franchise fee for quick service restaurant and payment for certain imported food ingredients from overseas suppliers. The Company and its affiliates generally use their best effort to net offset foreign currency exposure to minimize the impact on volatility of foreign exchange rate. For hotel business, the Company has mainly set the Baht-denominated room rates for the hotels and resorts in Thailand.

For oversea business expansion, the Company and its affiliates have also exposed to foreign exchange risk for the currency, in which the foreign investments are located. With this regard, the Company procured financing in the same currency as the cash flow generating from the foreign operation as a natural cashflow hedge. The Company regularly monitors the changes in exchange rates in major currencies and prepares to take appropriate actions in case of acute changes in foreign exchange rate though adjusted operation procedure and/or hedging financial instruments as deemed necessary.

2.3 Interest Rate Risk

In order to mitigate interest rate risk, the Company has utilized both capital market (debentures) and banking market with fixed interest rate term on applicable financing structure when the market situation is favorable for the Company to lock-in relatively low interest rate. At the end of 2018, The Company had the proportion of fixed-rate interest-bearing debts over 75% of total interest-bearing debts, which significantly reduced the interest rate risk.

3. Operational Risk

3.1 Risks in Recruiting and Maintaining Personnel with Knowledge and Skills and Possessing a Positive Attitude

At the end of 2018, the Company has operating properties under management totaling 39 hotels with 7,563 rooms for hotel business and a total of 962 branches in Bangkok and other provinces in Thailand for food business, which requires a considerable number of operational personnel to provide satisfactory customer service. Should the Company fail to recruit new staff to support the business expansion or replace employees

who have resigned in a timely manner, it may affect the overall quality of service and operation of the Company.

The Company therefore realizes the vital importance of employees. Where personnel recruitment is concerned, the Company has various channels that is conducive to recruiting employees, including announcements at the branch and via a program for employees to introduce or invite friends or acquaintances to work with the Company, as well as entering into reciprocal contracts with various educational institutions, etc. As for maintaining loyal personnel, in addition to compensation, benefits and other advantages which are competitive with the market rates, the Company regularly organises training and encourages employees to exhibit their skills and talents. Employees who perform exceedingly well with outstanding knowledge of tasks are recognized by promotions in rank with more responsibility. Last but not least, the Company culture is to look after its personnel similar to that of a family, which is important to be able to entice the employees to remain with the Company for a long time to come.

3.2 Risk in Managing Information and Cyber Threats

The development of service capabilities in the future relies on digital technology that can reach consumers through various channels in high speed and completeness as well as provide intelligence for decision making. However, the advancement in technology may also lead to increased security risks of information systems.

The Company places great importance on information for its business development. The Company and its affiliates have therefore established preventive measures and managed risks from cybercrime, which may be the actions of rapidly rising criminal groups or may even be the actions of the employee(s) of the Company itself. The Company has set up a Data Protection Committee who determines the framework of information and key documents management, as well as determining the specific rights of the authorized persons or those involved in accessing information or documents. The Company has also implemented new system with reputable leading software company in the hotel industry to ensure speed, innovation and ability to cope with cybercrime in various forms.

3.3 Risk from Changing Technology

Technology changes has disrupted the hotel industry in many ways such as Online Travel Agency (OTA) allowing consumers to compare a wide range of options for accommodation with independent reviews. In order to maintain customer retention and competitiveness, the Company needs to develop an active online presence, together with state-of-the-art operating systems fostering better data for better business decisions. Hence, the Company is implementing the new Centara Technology Architecture, which includes a total upgrade to the property management, central reservations and revenue management systems, with a roll-out plan to migrate all properties to the new platform by the end of 2019. In addition, as a key contributing factor for continued growth in online business, the redevelopment of the entire Centara digital web experience (desktop, mobile and application) is expected to be seen in 2019.

For food business, with the disruptive trend on food delivery and services from food aggregators, the Company has worked closely with food aggregators and is developing its own online

ordering system and delivery platform, together with new Point of Sale (POS) system.

3.4 Risk from Non-Renewal and Significant Change of Agreement's Terms and Conditions

The duration of a franchise agreement between the Company and the franchisor is between 10 to 20 years. Should the contract not be renewed, the Company will not be able to conduct business in that brand as a result. However, in principle for the franchisee selection process, the franchisor takes into consideration the overall capabilities of the franchisee, including but not limited to financial status, reputation, and past performance, in order to gain confidence for franchisor to ensure the success of its brand. In considering the renewal of the franchise agreement, the same principle will be applied. From past performance, the Company has been able to well comply with the conditions of the franchisors. This has been proven from the Company's successful management of several franchised brands to become the market leader in the food business in Thailand. The Company also conducts business strictly under discussions with franchisors to ensure that the quality of food products is in compliance with the standards set by the franchisors. Based on the aforementioned reasons, the Company is confident in very high chance for the renewal of franchise agreements with the various franchisors. Additionally, the Company also plans to add new brands that will be the Company's own in the near future.

3.5 Risks from Volatility in Raw Material Prices

The price of raw materials used in food business can be changed by various factors such as climate conditions, labor issues, and animal or plant epidemics. If the Company is unable to manage these risks accordingly, its operating results may adversely be affected. Consequently, the Company has planned to prevent such risks in order to continuously control raw material costs in appropriate level. The measures include advance purchasing plan based on annual sale plan, classification of raw materials and manage purchase order for each category across all brand portfolio to increase purchase volume and leverage on pricing bargaining power. In addition, there are forward contracts to purchase raw materials with the trusted suppliers, indicating price, trading volume and clearly specific delivery time.

3.6 Risk from the Epidemics in Plants or Animals

The epidemics in plants or animals is a risk factor that is difficult for the Company to control. The outbreak of such diseases will impact the consumer confidence and consequently have a negative effect on the revenue of the Company. The Company therefore has stringent procedures for selecting suppliers for raw material procurement. Each type of raw materials must pass the standard production process and transportation with globally acceptable production certificate. In the supplier selection process, the Company also consults with the franchisors to ensure that the proposed raw materials will have good quality and will be clean, safe, non-contaminated and in the same standard as the franchises used around the world.

3.7 Risk from Natural Disasters

As natural disasters are events that are beyond our control and should they occur, will damage the operation of the branch affected. In preparation to cope with such incidents, the Company has put in place emergency training to educate employees and

purchasing insurance to prevent damage that may occur to both employees and assets, including compensation insurance for loss of the Company's income in case the operation has to cease temporary operation in such instances.

4. Compliance Risk

4.1 Risk in Compliance with Laws or Related Regulation

Having identified legal compliance risk coupled with the Company's regulations covering risk causes due to misinterpretation in complying with the rules and regulations of various policies and regulations of the Stock Exchange of Thailand and the SEC Office which may change at any time, the Company and its affiliates therefore emphasize the importance of systematic operation. Responsibility has been defined for those involved and regular follow-up checks arranged accordingly. Meanwhile the Corporate Secretary is responsible for coordinating with the Stock Exchange and the SEC Office to thoroughly understand new rules in order to effectively communicate and share them with each business section accurately, completely in accordance to good governance principles.

4.2 Risk of Criminal Actions and Corruption

Corruption is a systemic problem which no individual organization may be relied upon to resolve but rather cooperation from all sectors in society is required.

For this reason, the Company has joined the Thai Private Sector Collective Action Coalition Against Corruption (CAC), with the Thai Institute of Directors Association (IOD) as key drivers to review and certify that companies possess the policy of anti-corruption practices in accordance with the criteria set by the Board of Directors and a legitimate mission to perform their businesses. The Company conducted various risk assessments concerning fraudulent acts and therefore has set various measures to be used as regulations to be enforced. Moreover, the Company has established guidelines for operation which consists of operating procedures with adequate particulars, set up an internal control system to ensure that anti-corruption policies are both effective and efficient, as well as having implemented various communication channels that is safe for whistleblowers or complainants to come forward.



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 3/4 of the votes of those Company Directors remaining in office.

1.2 Qualifications for a Director

- Directors must be ordinary citizens with the following qualifications:
 - 1. Are of legal age
 - 2. Are not bankrupt, incompetent, or equivalent
 - 3. Have not served prison terms for fraud
 - 4. Have not been dismissed from the government, organisations, or government agencies for fraud
 - 5. Have never faced legal fines for fraudulent property offenses
- A Company Director must be a capable and well experienced in a way that will be beneficial for the Company's businesses, possess high moral standards and be honest, as well as be able to fully devote adequate time in undertaking the duties of a Director.
- A Company Director can concurrently be a Director in another business, but this should be an obstacle in being able to effectively discharge the responsibilities of being a Company Director; whereby the Company has determined that a Director should not concurrently be a Director of more than a total of 5 (five) SET listed Companies at any one time.
- A Company Director should not act in any way in being directly involved in the management or operations of other companies that will compromise and reduce the full benefits for the Company, or will enhance the benefits of other persons or legal entities, regardless of whether it is for personal gain or that of others.
- Director must not, whether on his own account or on account of a third person, undertake any business of the same nature as and competing with that of the company, become a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership or become a director of a private company or any other company undertaking any business of the same nature as and competing with that of the company, unless such fact has been notified to the meeting of shareholders prior to the resolution electing such director.

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.
- 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 than 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.

CORPORATE AND MANAGEMENT STRUCTURE

(continued)

- 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.

1.4 Role and Responsibilities of the Board of Directors

- Act in accordance with the relevant laws, the Company's objectives, the Articles of Association and regulations of the Company together with the resolutions of the Board of Directors and the Shareholders Meetings, as well as in an honest, responsible and ethical manner, together with always taking into consideration the best interests of the various Stakeholder groups on an equal basis.
- Review and approve all significant and important matters relating to the operations of the Company; define the Company's vision and mission; determine key strategies, business objectives and annual budgets; as well as oversee and monitor that the Management group act both in an efficient and effective manner in full accordance with the established policies and agreed business plans.
- Consider to approve key transactions under the Board's authority scope under the law and corporate regulations and approval protocol
- Set and review Board structure, specifically the number of directors and ratio of independent directors, as well as diverse qualifications suiting corporate business. Review Board and committee compensation as proposed by the Nomination and Remuneration Committee.
- Review and approve the establishment of various Board Committees to effectively support the discharge of the various responsibilities of the Board, as appropriate and

necessary; whereby the Board will follow up on the activities of these Board Committees on a regular basis.

- Independent Directors should use their judgment in a fully independent manner in regards to reviewing and defining the Company's strategies, the management of the Company's resources, the appointment of Company Directors, and the business operational standards; as well as should be prepared to dispute or oppose any actions undertaken by the Management group or other Directors, in the event that they disagree with any activities that affect the equality of all Shareholders.
- Disclose information to all shareholders and stakeholders on a correct, complete, transparent, reliable, timely, and equitable.
- Set up efficient and effective internal control and internal audit systems
- Institute a suitable and efficient risk management policy and procedures with regular monitoring and assessment of risk management performance
- Arrange for the company secretary to assist the directors' activities and ensure that the Board and the Company comply with the relevant law and regulations
- Develop a code of business conduct for the directors, executives, and employees to set the standards for the Company's business operation. All directors, executives, and employees shall perform their duties ethically and in strict compliance with the Company's code of conduct.
- Ensure business operation based on good corporate governance principles and provide support to communicate to every personnel in the Company to acknowledge and strictly adhere to them
- Ensure clear and transparent connected transactions
- Determine clear procedures for the Audit Committee to report to the Board of Directors whenever an actual transaction is found or a suspicious transaction is apparent, that may have a significant impact on the financial status or the overall operating performance result of the Company; whereby the Board of Directors must then rectify the situation within the appropriate time frame recommended by the Audit Committee.

- Ensure the succession planning of the Company's top executives and annually arrange effective assessment of their performance
- Ensure that procedures are in place to regularly review and improve/amend the Company's key policies and various business plans, so that they are always appropriate, relevant and timely to the current business environment
- Annually assess Board performance and monitor Board and committee performances for joint review in the Board
- Constantly develop competency through training and participation in courses on Board performance or in other activities designed to enhance job expertise
- Steer the formulation of an anti-corruption policy and practical guidelines, strictly conform to the corporate policy and measures to set good examples for all personnel, and advocate internal and external communication for genuine conformance
- Steer the institution of processes and channels for receiving and effectively handling complaints filed by those with fraud leads and all stakeholders
- Steer the institution of an information security system, which includes the defining of a policy and procedures for confidentiality, integrity, availability, and the handling of market-sensitive information. Ensure conformance to this system by all directors, top management, personnel, and relevant third-party personnel
- Review and rectify the charter of the board as appropriate under prevailing circumstances
- Seek professional opinions by hiring outside advisers paid for by the Company
- Undertake any other duties or activities, relating to the Company's business operations, as may be required and assigned by the Shareholders.

1.5 Roles of the Chairman

- Direct, monitor, and ensure Board performance for efficiency and fulfillment of corporate objectives and key goals

- Ensure all directors' roles in promoting a corporate culture filled with ethics and governance
- With the President & CEO, set Board meeting agenda and apply measures to ensure that critical matters under Board authority are included in the agenda
- Allocate enough time for the management to present matters and the Board to thoroughly discuss key issues. Encourage directors' exertion of discretion and expression of free views
- Promote cordial relations between the Board and the management, while supporting performances of the President & CEO and the management under corporate policies
- Ensure transparent disclosure of information and management for conflicts of interest
- Steer the overall performance of the Board, committees, and individual directors for efficiency and effectiveness.

1.6 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

CORPORATE AND MANAGEMENT STRUCTURE

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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:

5. Mr.Bhisit Kuslasayanon	Chairman
6. Miss Sopawadee Lertmanaschai	Member
7. Mr.Vichien Tejapaibul	Member

Duties and responsibilities of the Audit Committee

- 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.

- 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.
- 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.
- 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.
- 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.
- 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.

2.2 The Nomination and Compensation Committee

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.

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.

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.

Names of the current Members of the Nomination and Compensation Committee are as follows:

1. Mr. Sudhitham Chirathivat	Acting Chairman
2. Mr. Vichien Tejapaibul	Member
3. Mr. Bhisit Kuslasayanon	Member
4. Mr. Prin Chirathivat	Member

Duties and responsibilities of the Nomination Committee

- 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.
- 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.

- Review and propose, for approval by the Board of Directors, strategies and policies relating to the human resources matters that are appropriate for and in line with the business strategies and operations of the Company.
- 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.
- Review the composition, total number and experiences of Company Directors to be appointed, together with those qualified nominees to fill any vacancies that occur.
- Oversee and ensure that effective succession plans are in place for the positions of Company Directors and Chief Executive Office.
- 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.

Duties and responsibilities of the Compensation Committee

- 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.
- 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.
- 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.
- 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 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.
- Oversee and ensure that the Company Directors and

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- the Chief Executive Officer receive the appropriate compensation and benefits package commensurate with the expected duties and responsibilities towards the Company.
- 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 overall Shareholders equity in the long term.
 - Review and submit, for consideration and approval by the Shareholders Meeting, the proposed annual compensation package to be adopted for Company Directors.

2.3 Risks Management and Governance Committee

The name of the current members of the Risks Management and Governance Committee are as follows:

- | | |
|---------------------------------|-----------------|
| 1. Mr. Sudhitham Chirathivat | Acting Chairman |
| 2. Mr. Prin Chirathivat | Member |
| 3. Mr. Thirayuth Chirathivat | Member |
| 4. Dr. Ronnachit Mahattanapruet | Member |
| 5. Mr. Nath Vongpanich | Member |

The Corporate Risks Management and Governance Committee

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:

Risks Management Activities

- 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.
- Support the overall operational activities of the respective risks management committees at the various operating levels.
- Monitor and evaluate the effectiveness and efficiency of the overall risks management activities within the Company.
- 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.

- Make recommendations regarding as well as and give concurrence to various risks management measures within the organisation.

Governance Activities

Define as well as review relevant policies, guidelines and operating procedures to conform to the principles and practices of good corporate governance. Hold meetings to monitor the progress made with regard to planned good corporate governance practices; 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.

Sustainable Development Activities

Determining the policies, objectives and goals relating sustainable development of the company's businesses. Drive the establishment and implementation of various policies and activities relating to Corporate Social Responsibility (CSR) with regards to the economy, society and environment, Including health and safety standards internally throughout the Company. Overseeing and ensuring that information disclosures on sustainable development made to all Stakeholders groups are accurate, correct and comprehensive.

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.

Self Evaluation of the Board of Directors

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.

Determination of Board Compensation

- 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.

- 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 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 2018, 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: | 51 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: Internal Audit Manager 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 organisation.

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 2018, BOARD OF DIRECTOR COMPOSED OF 10 PERSONS, DETAILS ARE AS FOLLOW

MR. SUTHIKIATI CHIRATHIVAT (Age 76 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• Honorary Advisor, Thai Hainanese Trade Association• Advisor to Chairman of the Constitutional Court
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, Central Department Store 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 2018	
- The Board of Director’s meetings	<ul style="list-style-type: none">• 4/4

MR. SUTHICHAIR CHIRATHIVAT (Age 78 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 2018	
- The Board of Director’s meetings	<ul style="list-style-type: none">• 4/4

DIRECTOR BIOGRAPHY (continued)

MR. BHISIT KUSLASAYANONT (Age 77 Years) <ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• None
- Non Listed Company	<ul style="list-style-type: none">• Chairman, Flying Orange Co., Ltd. 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 2018	
- The Board of Director’s meetings	<ul style="list-style-type: none">• 4/4
- Audit Committee’s meeting	<ul style="list-style-type: none">• 9/9
- Nomination and Compensation Committee’s meeting	<ul style="list-style-type: none">• 2/2
<u>Information regarding to appointed</u> The relationship in the Company, Subsidiary, Associated Company or other Independent director conflicted business entity in present of during the past 2 years <ul style="list-style-type: none">- <u>Not</u> being a director who takes part in the management of the Company, employee, staff member, or advisor receiving a regular salary- <u>Not</u> being a professional service provider (i.e. auditor or legal advisory)- <u>Not</u> having business relationship significantly in a way that may impact the performing task independently (i.e. buy – sell materials/ products/ service or financial support)	

MISS SOPAWADEE LERTMANASCHAI (Age 66 Years) <ul style="list-style-type: none">• Independent Director• Member of Audit Committee Date of being a director of the company : 30 April 2018 % Shareholding in the Company : None	
Education	<ul style="list-style-type: none">• Master of Science (Accounting), Thammasat University (1984)• Bachelor of Law, Thammasat University (1979)• Bachelor of Science (Accounting), Thammasat University (1973)
Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none">• Director Certification Program (DCP) 2/2000• Audit Committee Program (ACP) 27/2009• Successful Formulation and Execution of Strategy (SFE) 6/2010, Thai Institute of Directors
Experience	<ul style="list-style-type: none">• Secretary General, Government Pension Fund• Commissioner, Securities and Exchange Commission, Thailand• Director, Provincial Waterworks Authority• Director, Government Pharmaceutical Organisation• Director and Chairman of the Audit Committee, Metropolitan Electricity Authority
Other Current Positions	
- Listed Company	<ul style="list-style-type: none">• Independent Director and Member of the Audit Committee, Maybank Kim Eng Securities(Thailand) Plc• Advisor to Chairman of the Board of Directors and Member of the Investment Committee, Dhipaya Insurance Plc• Independent Director, Member of the Audit Committee, Intuch Holdings Plc.
- Non Listed Company	<ul style="list-style-type: none">• Director, General Hospital Products Public Co., Ltd.• Director, Orthopesia Co., Ltd.• Expert Director, National Savings Fund (NSF)• Director and Secretary, Sangvian Foundation
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 2018	
- The Board of Director’s meetings	<ul style="list-style-type: none">• 2/4
- Audit Committee’s meeting	<ul style="list-style-type: none">• 5/9
<u>Information regarding to appointed</u> The relationship in the Company, Subsidiary, Associated Company or other Independent director conflicted business entity in present of during the past 2 years <ul style="list-style-type: none">- <u>Not</u> being a director who takes part in the management of the Company, employee, staff member, or advisor receiving a regular salary- <u>Not</u> being a professional service provider (i.e. auditor or legal advisory)- <u>Not</u> 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 79 Years)	
<ul style="list-style-type: none">• 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	
<hr/>	
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• National Defence College, Advance Security Management Program, Class 3
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 2018	
- The Board of Director's meetings	<ul style="list-style-type: none">• 4/4
- Audit Committee's meeting	<ul style="list-style-type: none">• 8/9
- Nomination and Compensation Committee's meeting	<ul style="list-style-type: none">• 1/2

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 76 Years)	
<ul style="list-style-type: none">• Independent Director	
Date of being a director of the company : 14 November 2014	
% Shareholding in the Company : 30,000 shares (or 0.00 % of paid up shares)	
<hr/>	
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 2018	
- The Board of Director's meetings	<ul style="list-style-type: none">• 4/4

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 71 Years)	
<ul style="list-style-type: none">• 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)	
<hr/>	
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 2018	
- The Board of Director's meetings	<ul style="list-style-type: none">• 4/4
- Nomination and Compensation Committee's meeting	<ul style="list-style-type: none">• 2/2
- Risk Management and Corporate Governance's meeting	<ul style="list-style-type: none">• 4/4

MR. PRIN CHIRATHIVAT (Age 56 Years)	
<ul style="list-style-type: none">• 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)	
<hr/>	
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
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 2018	
- The Board of Director's meetings	<ul style="list-style-type: none">• 4/4
- Nomination and Compensation Committee's meeting	<ul style="list-style-type: none">• 2/2
- Risk Management and Corporate Governance's meeting	<ul style="list-style-type: none">• 4/4

DIRECTOR BIOGRAPHY (continued)

MR. SUDHISAK CHIRATHIVAT (Age 73 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 2018	
- The Board of Director’s meetings	• 4/4

MR. THIRAYUTH CHIRATHIVAT (Age 53 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 2018	
- The Board of Director’s meetings	• 4/4
- Risk Management and Corporate Governance’s meeting	• 4/4

LIST OF SHAREHOLDERS

THE MAJORITY OF SHAREHOLDERS

The top 10 of majority shareholders as of 30 December 2018*, as follows

Shareholder	Number of Shares	%
1. Tiang Chirathivat Co.,Ltd	67,523,190	5.00
2. The Bank Of New York Mellon **	45,890,000	3.40
3. Thai NVDR Company Limited	40,699,783	3.02
4. Mr. Niti Ostanukrau	36,129,511	2.68
5. Mr. Suthikiati Chirathivat	31,070,141	2.30
6. Mr. Prin Chirathivat	29,263,374	2.17
7. Mr. Tos Chirathivat	28,976,874	2.15
8. Dbs Bank Ltd **	23,000,000	1.70
9. Deutsche Bank AG Singapore PWM **	22,963,360	1.70
10. South East Asia Uk (Type C) Nominees Limited	22,421,862	1.67

Note : The Chirathivat Group holds a total of 61.9% 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.

LIST OF SHAREHOLDERS (continued)

Directors and executives holding CENTEL shares in 2018, are as follows:

No.	Name	Position	No. of shares As at January 1, 2018				Change in No. of shares ⁽¹⁾ Increased / (Decreased) during 2018			No. of shares As at December 30, 2018			Shareholding (%) As at December 30, 2018
			Direct	Indirect ⁽²⁾	Total		Direct	Indirect ⁽²⁾	Total	Direct	Indirect ⁽²⁾	Total	
1	Mr. Suthikiati Chirathivat	Chairman of The Board	31,070,141	-	31,070,141		-	-	-	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	Miss Sopawadee Lertmanaschai	Independent Director 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	-	-	-		30,000	-	30,000	30,000	-	30,000	0.00
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	Mr. Timothy Markland Blaiklock	Deputy Chief Executive Officer	-	-	-		50,000	-	50,000	50,000	-	50,000	0.00
12	Mrs. Supatra Chirathivat	Senior Vice President - Corporate Affairs & Social	2,436,376	-	2,436,376		-	-	-	2,436,376	-	2,436,376	0.18
13	Mr. Ronnachit Mahattanapreut	Senior Vice President - Finance & Administration / Secretary	158,000	-	158,000		-	-	-	158,000	-	158,000	0.01
14	Mr. Andrew Langston	Senior Vice President of Business Development	-	-	-		-	-	-	-	-	-	-
15	Mr. Thirakiati Chirathivat	Vice President - Procurement	16,921,000	-	16,921,000		-	-	-	16,921,000	-	16,921,000	1.25
16	Mr. David Robert Good	Vice President - Operations	-	-	-		-	-	-	-	-	-	-
17	Mr. Thomas Thrussell	Vice President - Brand, Marketing & Digital	-	-	-		-	-	-	-	-	-	-
18	Mr. Adrian Hardwick Jones	Vice President - Design & Technical Service	-	-	-		-	-	-	-	-	-	-
19	Miss Rujapa Hamnilrat	Vice President - Human Resources	-	-	-		-	-	-	-	-	-	-

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 2018 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 4,800,000. The details of the meeting attendance and remuneration in 2018 as follows:

Name	Position	Meeting Attendance (Meeting)				
		Board of Director	Audit Committee	Nomination and Compensation Committee	Risk Management and Corporate Governance Committee	Total Remuneration (Baht/annum.)
Mr. Suthikiati Chirathivat	Chairman of The Board	4/4				540,000
Mr. Suthichai Chirathivat	Vice Chairman	4/4				360,000
Mr. Bhisit Kuslasayanon	Independent Director	4/4				400,000
	Chairman of Audit Committee		9/9			320,000
	Member of Nomination and Compensation Committee			2/2		60,000
Miss Sopawadee Lertmanaschai ¹	Independent Director	2/4				240,000
	Member of Audit Committee		5/9			120,000

Name	Position	Meeting Attendance (Meeting)				
		Board of Director	Audit Committee	Nomination and Compensation Committee	Risk Management and Corporate Governance Committee	Total Remuneration (Baht/annum.)
Mr. Vichien Tejapaibul	Independent Director	4/4				360,000
	Member of Audit Committee		8/9			210,000
	Member of Nomination and Compensation Committee			1/2		30,000
Mr. Gerd Kurt Steeb	Independent Director	4/4				360,000
Mr. Sudhitham Chirathivat	Director	4/4				360,000
	Member of Nomination and Compensation Committee			2/2		60,000
	Member of Risk Management and Corporate Governance Committee				4/4	120,000
Mr. Prin Chirathivat	Director	4/4				360,000
	Member of Nomination and Compensation Committee			2/2		60,000
	Member of Risk Management and Corporate Governance Committee				4/4	120,000
Mr. Sudhisak Chirathivat	Director	4/4				360,000
Mr. Thirayuth Chirathivat	Chief Executive Officer	4/4				240,000
	Member of Risk Management and Corporate Governance Committee				4/4	120,000
Total						4,800,000

¹ The Annual General Meeting of Shareholders passed a resolution to appoint Ms. Sopawadee Lertmanaschai to be an independent director and the Audit Committee effective from 30 April 2018.

Management Remuneration:

For the remuneration of the management, Company bases its decisions on fairness and suitability for their responsibilities proportionally to company performance and comparison with pay rates of industry peers.

In addition, it takes into account individual performance outcomes against their goals in line with vision, mission, and annual strategic plans so as to drive the CEO’s and the management’s long-term contribution to organisational stability and growth. Below are the details.

Remuneration for CEO: The Nomination and Remuneration Committee and the Board of Directors evaluate the performance of the CEO annually to set appropriate remuneration in form of salary and bonuses.

Remuneration of Senior Management: Each year the CEO assesses the performances of individual members of senior management, the outcomes of which support decisions on their remuneration (salaries and bonuses).

The total remuneration paid to the management for 2018 are as follows

- **Salaries and Bonuses** paid to 10 executive management team members in 2018 amounted to Baht 69,089,535
- **Other Remunerations**
 - (a) Meal allowance

The company provides meal allowance’s restaurant to Board of Director the amount of Baht 80,000 In 2018, The Board of Director consumed at the actual amount of Baht 478,232.

- (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:

	2017	2018
AUDIT FEE	8,768,000	10,444,400
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 coprpate 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.

Prior to the Shareholders Meeting

1. Prior to the scheduled Meeting date and in accrdnace 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. Commincate 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 Notfication to attend the Shareholders Meeting, togther 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 consdieration of the various proposed ageda 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.

GOOD CORPORATE GOVERNANCE

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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 Chairmans 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 the submitted to the SET as well as posted on the Company's website within 14 days after the date of the Meeting.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company places great importance in each and every Shareholder Shareholders, 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).

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

GOOD CORPORATE GOVERNANCE

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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.
- **Business partners:** Provide fair treatment of business partners based on joint benefit; create and maintain sustainable relationship with business partners; create trust, by which the company adheres to the clear procurement procedures and practices.
- **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.

3. 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 an 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.

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 organisation, 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.

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.

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10. Tax Policy

The Company has in place transparent, fair, and auditable tax management practices in line with the laws and applicable regulations in each country where it does business. This provides company with suitable tax benefits, while supplementing optimal benefits for company and its stakeholders and has in place proper planning, investigation, and analysis of tax impacts for its international investment projects before actual investment.

11. Intellectual properties policy

The Company must conduct business and encourage employees to obey the law or regulations on intellectual property rights, whether in trademarks, patents, copyrights, commercial secrets, or other intellectual properties as stipulated by law and cultivates employees’ awareness of the importance of respecting intellectual property rights, whether involving direct operation of work or daily life.

12. Anti-corruption policy 2018

Central Plaza Hotel Public Company Limited is still intent on and continues to be fully committed to operate its businesses in a transparent and honest manner. It is also the Company's responsibility to ensure sustainable business practices covering economic, social and environmental dimensions are in place. The Company recognizes that corruption is a major obstacle as it negatively impacts business operations, reputation and image. As corruption is a systematic problem, cooperation from other sectors in society as a whole is required.

In the capacity of being part of society and in the hope that Thailand will be rid of all forms of corruption, the Company has since participated in the Private Sector Collective Coalition Against Corruption (CAC), a project driven by the Institute of Directors Association (IOD), responsible for formulating rules, under the review of the Chairman of the Independent Audit Committee. The Company will continue to be certified by the CAC Board as a business operator with anti-corruption policies and practices in place, in accordance with the criteria set by the Board of Directors with a mission to continue to perform with integrity in ethical business practices and in supporting fair business competition, as well as taking part in resolving the national corruption dilemma.

In the year 2018, the Company conducted various activities as follows:

- 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 essential part of the established controls system.
- 2. The Company has established guidelines for operation. Which consists of operating procedures with adequately detailed operating procedures in accordance with the anti-corruption policy and capable of preventing any occurrence within the business operations which covers such activities as charitable donations and corporate sponsorships, the giving or receiving of gifts and

acts of hospitality (entertaining), including political contributions and support.

3. The Company has set up an internal control system to ensure both efficiency and effectiveness of the established anti-corruption policy that covers documentation for all financial transactions, accounting processes, together with human resources systems and other systems relating to the business operations of the Company.

4. 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.

5. 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 and public relations posters training programmes for its personnel and executives to enhance their knowledge and full understanding, for their compliance. 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.

6. 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 provision of samples of various cases of corruption for their compliance.

7. The Company has been honoured by the participation of guest speakers with expertise on topics related to anti-corruption for executives and employees, whilst providing data on the world situation in general and Thailand in particular, including methodologies to create a society that strengthens our culture against corruption.

Submitting information or complaints under the ‘whistleblower 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 of 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

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 (For 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 onn good corporate governance policies and practices; business ethics and good business conducts in the operations of the Company’s business; and various activties 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 geraldly accepted accounting principles and standards, as well as are based on

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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.

Investor Relations (IR)

The Board of Directors is fully aware that disclosure of information credibly, timely, regularly and thoroughly is important to decision of investors and shareholders. Therefore, the company has established Investor Relations Department to be responsible for disclosing essential information to analysts, institutional investors, retail investors and shareholders through updating performance reports and corporate outlooks together with quarterly management discussion and analysis (MD&A) reports.

Additionally, interested investors could contact and request relevant information directly from the department at contact number 66(0) 2769 – 1234 ext 6640 or e-mail address: ir@chr.co.th or through company's website <http://centel.listedcompany.com>, which the information is frequently updated both in Thai and English. The information includes:

- Corporate information such as group history, nature of business, vision and mission and organisation chart
- Financial information
- Stock information and investment calculator
- Publications such as annual report, form 56-1 and newsletters
- Newsroom including SET announcement, news clippings and press release
- Shareholder information such as major shareholders, shareholders' meeting and dividend payment
- Debenture information and credit rating
- Analyst coverage
- Webcast and presentation slides

The company presents regularly updated performance and outlooks to analysts, domestic and international investors through IR activities at Analyst meeting, Roadshow, conference, conference call and attendance to Opportunity day hosted by Stock Exchange of Thailand. Analysts and interested investors could make appointments for company visits and meet senior management to inquire about business updates. The key Investor Relations related activities in 2017 - 2018 as follows:

Activities	Activities 2017 (times)	Activities 2018 (times)
Analyst Meeting	4	4
Company Visit	18	37
Annual Credit Rating Review	1	1
Domestic And International Roadshow	15	13
Opportunity Day – Thai	4	4
Opportunity Day – English	1	-
E-Mail/ Phone Calls	5-6 times/week	5-6 times/week
Site Visits From Institutional Investors	2	3

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 204 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 194

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 Direct 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 necesay 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 fore review/approval and/or proposing the Shareholders Meeting for final approval (as applicable)
3. Risks Management and Governance Committee Comprising of 5 Directors, with the following duities 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 as well as review relevant policies, guidelines and operating procedures to conform to the principles and practices of good corporate governance. Hold meetings to monitor the progress made with regard to planned good corporate governance practices; 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.

3.3 Sustainable Development

Determining the policies, objectives and goals relating sustainable development of the company's businesses. Drive the establishment and implementation of various policies and activities relating to Corporate Social Responsibility (CSR) with regards to the economy, society and environment, Including health and safety standards internally throughout the Company. Overseeing and ensuring that information disclosures on sustainable development made to all Stakeholders groups are accurate, correct and comprehensive.

Represent the Company in the dissemination of information– to the Management, Staff and external parties - relating to any Company activities relating to good governance

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.

Chief Executive Officer (CEO)

The Chief Executive Officer (CEO) is the top-most Senior Executive of the Company, appointed by the Board of Directors, responsible for the overall management and operations of the

GOOD CORPORATE GOVERNANCE

(continued)

Company in accordance with the established corporate strategies as well as vision and mission; whereby the scope of authority is as specified by the relevant applicable laws, corporate objectives and Article of Associate of the Company, together with the resolutions of the Board of Directors and the Shareholders Meetings.

As such, the CEO may also be a Director in other companies; whereby it must not be a hindrance to the discharging of his/her duties as the Company's CEO, as well as those other companies do not have operate the same businesses as and are not competitors of the Company. Prior approval is also required to be given by the Board of Directors before the CEO can assume a Directorship in another company.

Undertaking the performance appraisal of the CEO is the initial responsibility of the Nomination & Compensation Committee; whereby the evaluation results will then be submitted to the Board of Directors for review and concurrence, as well as the CEO is also involved in both determining the required objectives and acknowledging the approved final performance targets for each year.

Application of the CG Code 2017

The Board has considered and reviewed SEC's CG Code 2017 and applied it to company's business context, while requiring a constant review at least once every year.

Board meetings No. 4/2018 approved the reviewing of the charters of the Board of Directors, Good Corporate Governance Principles Guideline for operating the Group's Businesses to ensure their compliance with laws, guidelines, the CG Code and current business operations.

Nomination of Directors

1. The Nomination & Compensation Committee is responsible for identifying and reviewing persons, with the appropriate qualifications, to be proposed to the Board of Directors for consideration as a 'Company Director' nominee.

2. The process for nomination of a new Company Director is required to be transparent, equitable and accountable, as well as in accordance with the specified relevant laws and regulations relating to the Securities business, the SET and the Public Companies together with the Company's Charter for the Board of Directors and good corporate governance policies, or other applicable criteria and requirements.

3. Criteria and procedure: The Nomination and Remuneration Committee is responsible for selecting and screening qualified people under company's regulations, Board charter, and applicable criteria before tabling their names for the Board's endorsement and finally for the shareholders' appointment.

The Nomination and Remuneration Committee reviews eligible directors by:

- Allowing the major shareholder, minor shareholders, directors, and executives to nomi-nate directors
- Examining the Director Pool of the Thai Institute of Directors

Association or other agen-cies with similar lists

- Leveraging other channels considered suitable by the Nomination and Remuneration Committee.

Orientation for newly-appointed Directors

The company had arranged a meeting among new and existing ones, including Company's management team. An orientation was held to develop a better understanding of their roles and to present company's business such as goals, vision and strategic, corporate and managemet structure, nature of business, shareholder structure, performance, and the policies of the company

Additionally, the Office of the Company Secretary has prepared and provided the following documents to the new directors:

1. Company profile and Annual Report dating back one year.
2. Regulatory records Good corporate governance principles in business operations Including the anti-corruption policy of the company
3. Charter of the Board of Directors And sub-committees
4. Schedule of Board of Directors' Meeting and Annual General Meeting of Shareholders
5. Minutes of the Board of Directors 'Meeting and Minutes of the Shareholders' Meeting dating back one year.

Nomination of Management

- Nomination of President & CEO

The Nomination and Compensation Committee conducts a preliminary screening of candidates with the required qualifications, knowledge, skills, and experience and then tables them to the Board for its consideration.

- Nomination of Management

The Chief Executive Officer (CEO) selects and appoints candidates with the qualifications, knowledge, skills, and experience suitable for each executive position. The recruitment will be done under Human Resources Department's regulations.

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 2018, 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 62 years

Academic qualifications

- Ph. D Business Administration, Suan Dusit Rajaphat Univeristy
- Masters of Business Administration, Thammasart University
- Bachelor of Accountancy, Thammasart University

Attended Courses and programmes at the Thai Institute of Directors (IOD)

- Certificates from courses attended from the Thai 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.

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 204

Seminars and Training Courses Attended by Each Director in 2018

Names	Details
Mr. Prin Chirathivat	1. Corporate Governance for Capital Market Intermediaries (CGI), organized by IOD. 2. Attended a lecture on "Risk Management Updates for Board and Senior Management", organized by CENTRAL Group

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 5 aspects of its operation:

- 1) Board structure and qualifications
- 2) The roles, duties, and responsibilities of the Board
- 3) Board meetings and board performance
- 4) Relationship with management
- 5) 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.

GOOD CORPORATE GOVERNANCE

(continued)

• **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 suppoting CENTEL committees' work and each dimension of its business operation.

The “excellent” outcome of the Board and Individual Director

performance assessment this year can be summarized as follows:

Evaluation	Outcome (%)
THE BOARD OF DIRECTORS (FULL BOARD)	94.59%
THE BOARD OF DIRECTORS (INDIVIDUAL)	95.07%

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. The outcomes of the evaluation for 2018 averaged 85.0%, rated as “Good”.

CONNECTED TRANSACTIONS

As of December 31, 2018 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 138t meeting of the Audit Committee (2/2019) on February 19, 2019 the Audit Committee was informed of all the connected transactions that took place during 2018, 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 2017 (Baht Million)	For the Year 2018 (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.	14.60	21.33	

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (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.	32.59	32.44	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 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.	0.81	0.62	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 Hotal 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.	1.53	1.67	
	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.	11.18	12.19	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.	0.50	0.20	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 2017 (Baht Million)	For the Year 2018 (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.	30.01	31.93	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.	0.33	0.03	
	The Central Plaza Hotel plc. provides laundry services to Tiang Chirathivat Co., Ltd.	0.00	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 promtional exhibitions events.	56.44	62.66	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.	306.35	346.72	
	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to Central Pattana plc.	3.89	5.02	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 2017 (Baht Million)	For the Year 2018 (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, calcuators and related accessories) for use in its business operations from Central Trading Co., Ltd.	0.61	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 the normal procurement regulations and procedures.
2. Common Directors				
	The Central Plaza Hotel plc. provides F & B services to Central Trading Co., Ltd.	1.57	0.08	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.	2.91	2.05	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				
	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to the Power Buy Co.,Ltd.	0.04	0.41	

CONNECTED TRANSACTIONS

(continued)

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (Baht Million)	Facts and Reasons
7. Harng 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 HARNG Central Department Store Co., Ltd.	11.79	11.00	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.	46.26	51.33	
	- Central Restaurants Group Co., Ltd.	10.47	3.00	
	The Central Plaza Hotel plc. provides banquet rooms and services to the Harng Central Department Store Co., Ltd.			
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.	0.07	0.06	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				

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (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	4.64	4.04	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.	0.00	0.00	
	- Central Restaurants Group Co., Ltd.			
	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to the Post Publishing Plc.	3.18	6.78	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.	3.99	4.12	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.	1.27	9.57	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.	0.92	2.85	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 2017 (Baht Million)	For the Year 2018 (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.	1.02	1.48	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.	0.00	1.36	
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.	27.19	28.11	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	COSI Hotel Co., Ltd. (COSI) sublease land of Central Festival Samui project from Central World Co., Ltd. (CTW). COSI has to pay compensation for the sublease land of 62 million baht throughout the land sublease 37 years 2 months.	0.00	2.18	
	Centara Loyalty Marketing Co.,Ltd. (subsidiary company) pays the room and service fees of customers using the Centara The 1 Card reward points (C1C) to stay or use at the Centara Hotel & Convention Centre Udon Thani. By charging the room and service At the market price and the value of points according to the agreed rate.	0.00	0.05	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.
	The Central Plaza Hotel plc. provides sells hotel rooms and F & B services to Central World Co., Ltd.	0.27	11.25	
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.	17.10	22.24	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 2017 (Baht Million)	For the Year 2018 (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	127.72	136.67	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. sells hotel rooms and provides F & B services to Robinson Department Store Plc.	0.00	0.13	
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).	0.00	0.02	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.	0.37	0.52	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.	0.04	0.00	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.
	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to B2S Co., Ltd.	0.00	0.02	

CONNECTED TRANSACTIONS

(continued)

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (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.	0.02	0.18	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.	1.34	2.49	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	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to CRC Thai Watsadu Co, Ltd.	0.00	0.07	
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.	13.97	8.74	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 2017 (Baht Million)	For the Year 2018 (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.	0.00	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. 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.	33.16	32.78	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				
22. 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.	1.93	3.78	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.

CONNECTED TRANSACTIONS

(continued)

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (Baht Million)	Facts and Reasons
23. 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.	30.05	65.25	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.
24. 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.	0.25	0.46	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				
25. 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.	6.42	4.83	
	- Central Restaurants Group Co., Ltd.	14.82	10.01	
	The Central Plaza Hotel plc and its sibsidiaries provides hotel rooms and F&B services to the Central People Development Center Co., Ltd.	5.90	4.91	
	Central People Development Center Co., Ltd. rent consignment area from Central Plaza Hotel pcl. and its subsidiaries	0.00	1.53	
26. 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.	0.00	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				

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (Baht Million)	Facts and Reasons
27. Central Family Mart Co., Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	The Central Plaza Hotel plc and its sibsiaries provides hotel rooms and services to the Central Family Mart 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				
28. 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.	0.00	0.07	
	- Central Restaurants Group Co., Ltd.	0.00	0.00	
29. 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 sibsiaries subleased land from Central International Development Co., Ltd. in order to operate its hotel and associated business activities	116.36	129.67	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				
30. CRC Sports Co.,Ltd.				
Relationship:				
1. Common Majority Shareholders : Chirathivat Group	The Central Plaza Hotel plc. purchase products from CRC Sports Co.,Ltd.	0.00	0.42	The Audit Committee reviewed the matter andis 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 theproposed transaction is 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-Khirikhhan 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 (203 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 (102 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 (248 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	Centra by Centara Hotel Mae Sot (120 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 (163 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	To lease the land Partially	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	To lease the land Partially	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 (continue)

	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 Ramen, 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 (150 rooms)	5,000,000 shares Par value 100 Baht per share Paid-up shares 100 Baht 300,000 shares 30 Baht 4,700,000 shares	4,999,997 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. Room 2306-7, Cross Tower, No.318 Fuzhou Road, Huangpu District, Shanghai, 200001	Not operate yet	Register share capital of 18,000,000 Chinese Yuan paid up of 12,000,000 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 Limited 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	2 shares (Owned by Centara Capital Limited)	40.0%

COMPANY’S
GENERAL INFORMATION

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 2018	
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

INFORMATION OF DEBENTURES

Debenture	The latest Credit Rating	Amount (MB)	Issuance Date	Tenor (year)	Interest Rate	Collateral	Interest Payment Cycle	Maturity Date	Balance as at 31 December 2018
CENTEL203A	N/A	800	30/3/2016	4 years	2.09%	-	6 months	30/3/2020	800
CENTEL218A	A	980	8/11/2016	5 years	2.45%	-	6 months	8/11/2021	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

AUDITOR

EY Office Limited
33rd Floor, Lake Rajada Office Complex 193/136-137
New Rajadapisek Road, Klongtoey, Bangkok 10110
THAILAND
Tel. : (02) 677-2000
Fax : (02) 677-2222

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. 1/2016 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)

CREDIT RATING COMPANY

Tris Rating Co., Ltd.
24th Floor, Silom Complex Building, 191 Silom Road,
Bangkok 10500
Tel. : (02) 231-3011

CORPORATE MANAGEMENT
HOTEL BUSINESS

CENTARA HOTELS & RESORTS

Corporate Management	
Chairman of the Board	Mr. Suthikiati Chirathivat
Vice Chairman	Mr. Suthichai Chirathivat
Honorary Advisor to the Board	Mr. Suthiporn Chirathivat
Honorary Advisor to the Board	Khunging Suchitra Mongkolkiti
Honorary Advisor to the Board	Prof. Viroj Lowhaphandu
Advisor to Chairman of the Board	Mr. Dan Chinsupakul
Advisor to the Board	Mr. Gerd Kurt Steeb
Hotels Business Group Operations	
Chief Executive Officer	Mr. Thirayuth Chirathivat
Deputy Chief Executive Officer	Mr. Timothy Markland Blaiklock
Vice President - Operations	Mr. David Robert Good
Corporate Affairs & Social Responsibilities	
Senior Vice President - Corporate Affairs & Social Responsibilities	Mrs. Supatra Chirathivat
Centara International Management	
Senior Vice President - Business Development	Mr. Andrew Frederick Langston
Finance & Administration	
Senior Vice President - Finance & Administration	Dr. Ronnachit Mahattanapreut
Vice President - Procurement	Mr. Thirakiati Chirathivat
Sales & Marketing	
Vice President - Brand, Marketing & Digital	Mr. Thomas Roger Thrussell
Assistant Vice President - Sales	Ms. Jurairat Mongkolwongsiri
Human Resources	
Vice President - Human Resources	Ms. Rujapa Hamnilrat
Design & Technical Services	
Vice President - Design & Technical Services	Mr. Adrian Hardwick-Jones
Group Director of Operations	
Corporate Director of Operations	Mr. Robert Frederik Maurer-Loeffler
Corporate Director of Operations	Mr. David Martens
Corporate Director of Operations	Mr. Austin Robinson
Corporate Director of Operations	Mr. Kamal Chaoui

CORPORATE MANAGEMENT
HOTEL BUSINESS (continued)

Hotel Management	
Centara Grand & Bangkok Convention Centre at CentralWorld	Mr. Robert Frederik Maurer-Loeffler
Centara Grand at Central Plaza Ladprao Bangkok	Mr. James Robert Wilson
Centara Grand Beach Resort & Villas Krabi	Mr. Darren Shaw
Centara Grand Beach Resort Samui	Mr. Voytek Klasicki
Centara Grand Beach Resort & Villas Hua Hin	Mr. David Martens
Centara Grand Mirage Beach Resort Pattaya	Mr. Denis Thouvard
Centara Grand Beach Resort Phuket	Mr. Kamal Chaoui
Centara Grand Phratamnak Pattaya	Mr. Austin Robinson
Centara Grand Island Resort & Spa Maldives	Mr. Riaan Sinclair Drever
Centara Villas Samui	Mr. Paul Maneerat
Centara Karon Resort Phuket	Mr. Wayne Graydon Duberly
Centara Hotel Hat Yai	Mr. Manoon Wutti
Centara Kata Resort Phuket	Mr. Timothy Rawlinson
Centara Villas Phuket	Mr. Opas Damrongkul
Centara Hotel & Convention Centre Udon Thani	Mr. Preecha Yarangwong
Centara Anda Dhevi Resort & Spa Krabi	Mr. Michael Gaarde-Nielsen
Centara Watergate Pavillion Hotel Bangkok	Mr. Alexandre Boris Frenkel
Centara Pattaya Hotel	Mr. Jonas Sjostedt
Centara Nova Hotel & Spa Pattaya	Mr. Jonas Sjostedt
Centara Koh Chang Tropicana Resort	Mr. Pius Luchinger
Centara Seaview Resort Khao Lak	Mr. Wilhelmus Nicolaas Maria Fagel
Centara Blue Marine Resort & Spa Phuket	Mr. Ruud Andries Hulscher
Centara Sonrisa Residence and Suites Sriracha	Mr. Chalermrat Khumsawad
Centara Ras Fushi Resort & Spa Maldives	Ms. Prapaijit Thongma
Centara Sandy Beach Resort Da Nang	Mr. Ashwin Bagal (Acting)
Centara Ceysands Resort & Spa, Sri Lanka	Mr. Mario Taulien
Centara Residences & Suites Doha	Mr. Sathish Kumar Narayanan (Acting)
Centara Muscat Hotel	Mr. Anthony Wright
Khum Phaya Resort & Spa, Centara Boutique Collection	Ms. Jirachada Assavanich
Centra by Centara Government Complex Hotel & Convention Centre Chaeng Watthana	Mr. Asdang Sukwises
Centra by Centara Maris Resort Jomtien	Mr. Chaiphun Thongsuthum
Centra by Centara Phu Pano Resort Krabi	Mr. Dechanont Wangthong
Centra by Centara hotel Mae Sot	Mr. Somsak Saisawad
Resort Manager	
Centara Q Resort Rayong	Ms. Wassana Pokthang
Centara Chaan Talay Resort & Villas Trat	Mr. Nopporn Jetsadajaratkul
Centra by Centara Coconut Beach Resort Samui	Ms. Busarakum Kamnueng
Waterfront Suites Phuket by Centara	Ms. Juntharaphon Pairat
Hotel Manager	
Centara Azure Hotel Pattaya	Mr. Khajohn Wimolcharoensuk
Centra by Centara Avenue Hotel Pattaya	Mr. Khajohn Wimolcharoensuk
COSI Samui Chaweng Beach	Ms. Vatmongkol Rasrisawas

CORPORATE MANAGEMENT
RESTAURANT BUSINESS

CENTRAL RESTAURANTS GROUP

President of CRG	Mr. Nath Vongphanich
Chief Operating Officer	Mr. Sucheep Tamacheepjareon
Chief Financial Officer	Ms. Nanthawan Vatcharakomolpun
Senior Vice President Food Innovation and President Ootoya	Mrs. Ampaipan Chirathivat
Senior Vice President Human Resources	Ms. Jaruan Ngampisutpaisan
Senior Vice President Operations	Mr. Chainarong Lerlertvanich
Senior Vice President New Business Development	Mrs. Pentip Ungpakorn
Senior Vice President Corporate Strategy and Development	Dr. Chatchai Unahabhokha
Senior Vice President Marketing	Mr. Piyapong Chitchumnong
Senior Vice President Operations	Mr. Tanapoln Tunpasit
Senior Vice President Business Development	Mr. Sitthisak Wongsamut
Vice President of KFC	Mrs. Kittiyaporn Kulpaiboon
Vice President of Mister Donut	Ms. Sineenart Sookthavorn
Vice President Supply Chain Management	Mr. Thirawat Loetthiraphan
Assistant Vice President of Auntie Anne's & Cold Stone Creamery	Mrs. Nongnapas Rumpeuy
Assistant Vice President of Pepper Lunch	Mrs. Orawan Komonpunporn
Assistant Vice President of CRG Manufacturing	Mr. Rastam Benraheem
Assistant Vice President of Aroi Dee	Ms. Chatuedee Suktrakul
Assistant Vice President of Ootoya	Mr. Parwit Amtim
Assistant Vice President of Chabuton, Yoshinoya, Tenya & Katsuya	Mrs. Siriporn Thanintharatharn
Assistant Vice President Digital Marketing and Delivery	Mrs. Shanoknatnapat Sinvivathanachai
Assistant Vice President HR Strategy & Employee Engagement	Mr. Denchai Petchamarat
Assistant Vice President Finance & Accounting	Ms. Kalya Subhakornpichan
Assistant Vice President Construction	Mr. Chatree Tinsiripattanakij
Assistant Vice President Site Acquisition	Mr. Anucha Thananan
Assistant Vice President Corporate Planning	Mrs. Sirirat Wisetjindavat
Assistant Vice President Operations KFC	Mr. Kanop Sriarwut
Assistant Vice President Application Development & Services	Mr. Chattawat Chancharung



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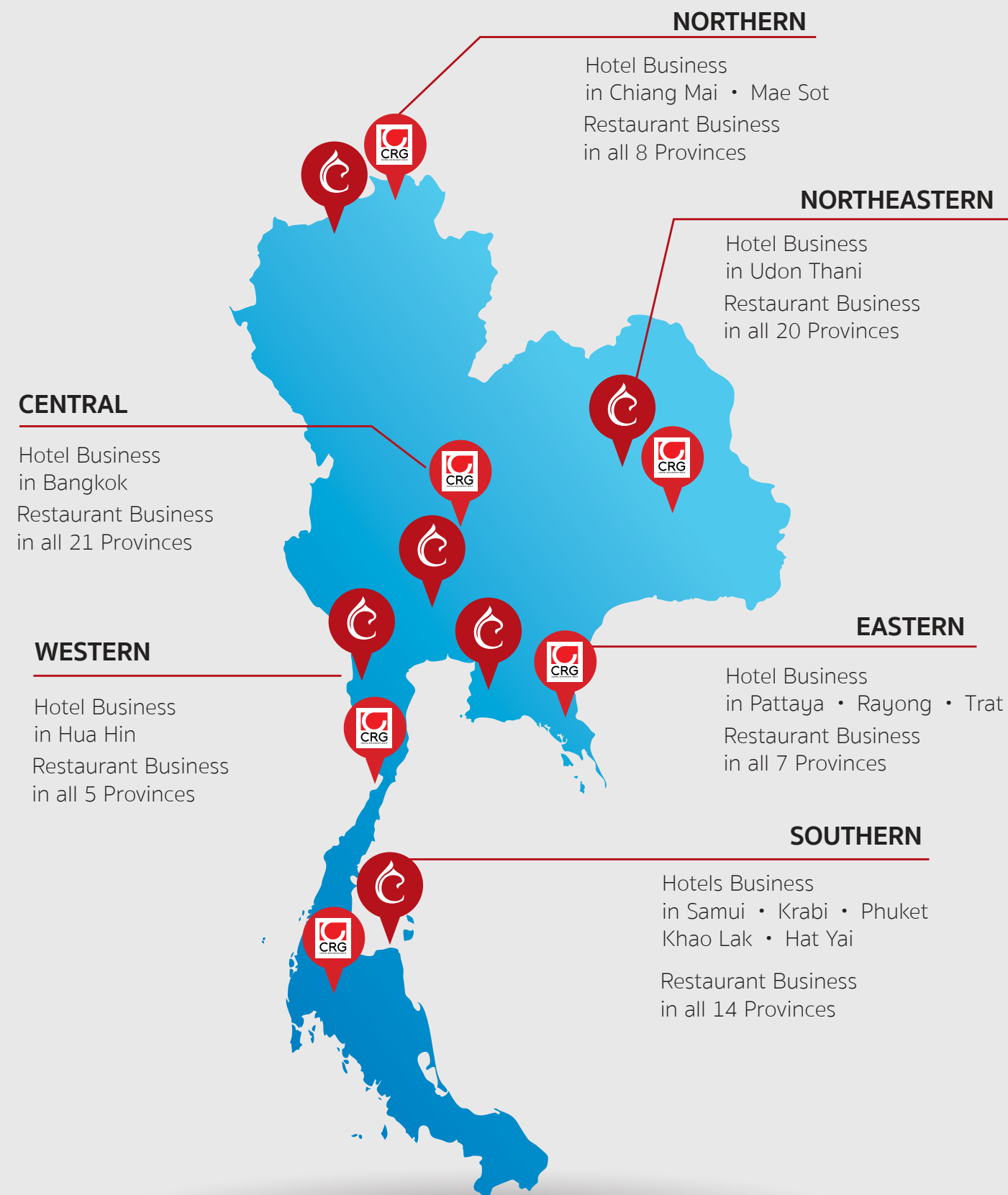
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