



CENTARA
HOTELS & RESORTS



CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED

ANNUAL REPORT

2019



THE PLACE TO BE

AWARDS 2019



Centara Hotels & Resorts Corporate	<ul style="list-style-type: none">Thailand’s Top Corporate Brands Hall of Fame 2019 (5 consecutive years)Thailand Sustainability Investment 2019 (2 consecutive years)Best Investor Relations AwardsESG100:2019 (Environmental, Social and Governance) (4 consecutive years)
Centara Grand & Bangkok Convention Centre at CentralWorld	<ul style="list-style-type: none">Best Meetings and Conventions Hotel in Asia - TIG Travel Awards 2019EarthCheck Award 2019 - Gold CertificationBangkok’s Best Restaurant Awards 2019 - UNO MAS Restaurant as Winner in the Spanish CategoryBangkok’s Best Restaurant Awards 2019 - The World Restaurant for Excellence in the Buffet CategoryBK Top Tables 2019 - Official Selection UNO MAS RestaurantM & C Asia Stella Best Convention Centre - Southeast Asia AwardLuxury Lifestyle Awards - Red in the category of Luxury Restaurant in Bangkok, ThailandISO 20121 Awards - Event Sustainability Management SystemThailand Tatler Best Restaurants Awards 2019 - UNO MAS in Spanish CategoryThailand MICE Venue Standard - Special Event Venue 2019Wine Spectator Award of Excellence 2019 - Red Sky
Centara Grand at Central Plaza Ladprao Bangkok	<ul style="list-style-type: none">EarthCheck Award 2019 - Gold CertificationASEAN MICE Venue Standard CertificateMEA Energy Saving AwardCertificate of Excellence for Suan Bua, Don Giovanni, Hagi, Lobby Lounge, Blue Sky and Dynasty Restaurants at Centara Grand at Central Plaza Ladprao BangkokGreen Hotel Award by Thailand’s Department of Environmental Quality PromotionBangkok Food Safety City (3 stars)Certificate of Participation Thai Hotels Plastic Free Project from President of Thai Hotels Association
Centara Grand Beach Resort & Villas Krabi	<ul style="list-style-type: none">EarthCheck Award 2019 - Gold Certification
Centara Grand Beach Resort Samui	<ul style="list-style-type: none">EarthCheck Award 2019 - Gold Certification

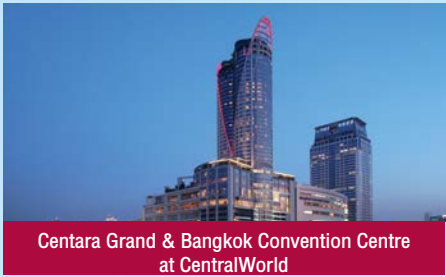
Centara Grand Beach Resort & Villas Hua Hin	<ul style="list-style-type: none">Best in Travel Poll 2019 - Top 25 Wedding HotelsBest in Travel Poll 2019 - Top 25 Spa HotelsEarthCheck Award 2019 - Gold CertificationPeople with Disability Employment Award“Excellent” Green Hotel Awards“Best of Hua Hin” Experts’ Choice AwardWinner of Guest Satisfaction AchievementWinner of Guest Questionnaire Target“Gold” Thailand Tourism Awards
Centara Grand Mirage Beach Resort Pattaya	<ul style="list-style-type: none">“Traveler’s Choice Awards 2019” Top 25 Hotels for Families - No.1 in Thailand and No.18 in AsiaEarthCheck Award 2019 - Gold CertificationLuxury Beach Resort Spa - Global Winner 2019The Winner Parade of St. Patrick’s Day 2019
Centara Grand Beach Resort Phuket	<ul style="list-style-type: none">Best in Travel Poll 2019 - Top 25 Family Hotels“Traveler’s Choice Awards 2019” Top 25 Hotels for Families - No.3 in Thailand“Traveler’s Choice Awards 2019” Top 25 Hotels for Families - No.25 in AsiaEarthCheck Award 2019 - Gold Certification
Centara Grand Island Resort & Spa Maldives	<ul style="list-style-type: none">EarthCheck Award 2019 - Gold CertificationBest Luxury Romantic All-Inclusive Resort WorldwideTripAdvisor Certificate of ExcellenceTripAdvisor Hall of Fame Certificate of Excellence (7 consecutive years)Luxury Family All Inclusive Resort, Indian Ocean Islands
Centara Watgate Pavillion Hotel Bangkok	<ul style="list-style-type: none">TripAdvisor - Hall of Fame Certificate of Excellent (5 consecutive years 2015 - 2019)Gold Circle Award Winner 2018 and 2019
Centara Kata Resort Phuket	<ul style="list-style-type: none">EarthCheck Award 2019 - Gold CertificationHigh Rating in Food Hygiene with No Critical FindingsMembership of The Association of Domestic Travel (ADT)Thailand Tourism Standard 4-star Resort
Centara Karon Resort Phuket	<ul style="list-style-type: none">“Traveler’s Choice Awards 2019” Top 25 Hotels for Families - No.5 in ThailandEarthCheck Award 2019 - Gold CertificationLoved by Guests Award Winner 2019 by Hotel.com 8.9/10Recommended Hotel 2019 Certificate on HotelCheck 2019 4.7/6

Centara Villas Phuket	<div><ul style="list-style-type: none">EarthCheck Award 2019 - Silver CertificationTripAdvisor Certificate of ExcellenceTripAdvisor - Hall of Fame Certificate of Excellence (5 consecutive years)Certificate of Excellence The Cliff Restaurant & BarRecommended on HolidayCheck 2019 Certificate</div>
Centara Anda Dhevi Resort & Spa Krabi	<div><ul style="list-style-type: none">EarthCheck Award 2019 - Silver CertificationGreen Hotel Award 2019 - G Mark SilverTripAdvisor 2019 Certificate of Excellence</div>
Centara Villas Samui	<div><ul style="list-style-type: none">EarthCheck Award 2019 - Silver Certification</div>
Centara Hotel Hat Yai	<div><ul style="list-style-type: none">EarthCheck Award 2019 - Silver CertificationGood Practice in Safety and Health Management - Gold AwardThe Excellent Establishment on Labour Relations and Welfare 2019 - National LevelThailand Labour Management Excellence Award - Gold Level</div>
Centara Hotel & Convention Centre Udon Thani	<div><ul style="list-style-type: none">Thailand Labour Management Excellence Award 2019Thailand and ASEAN MICE Venue Standard (Category: Meeting room)</div>
Centara Pattaya Hotel	<div><ul style="list-style-type: none">Tourism Accommodation Health and Safety Technical Guide by ABTA - The Travel Association and Federation of Tour Operators (FTO)</div>
Centara Nova Hotel & Spa Pattaya	<div><ul style="list-style-type: none">Thailand Tourism Standard, Accommodation Standard for Tourism (Resort) AwardTourism Accommodation Health and Safety Technical Guide by ABTA - The Travel Association and Federation of Tour Operators (FTO)Tripadvisor “Certificate of Excellence” The consistent achievement of high ratings from travelers 2019</div>
Centara Q Resort Rayong	<div><ul style="list-style-type: none">Tripadvisor “Certificate of Excellence” The consistent achievement of high ratings from travelers 2019</div>
Centara Koh Chang Tropicana Resort	<div><ul style="list-style-type: none">STEM Workforce Towards SME 4.0Certificate of Participation Thai Hotel Plastic Free Project</div>
Centara Ras Fushi Resort & Spa Maldives	<div><ul style="list-style-type: none">South Asian Travel Awards 2019” (SATA Awards) - Gold Winner in Leading All-Inclusive ResortEarthCheck Award 2019 - Gold Certification</div>
Centara West Bay Residences & Suites Doha	<div><ul style="list-style-type: none">5-star Hotel classification based on State of Qatar Tourism Law No. (20) By Qatar National Tourism Council</div>
Khum Phaya Resort & Spa, Centara Boutique Collection	<div><ul style="list-style-type: none">Environment, Health and Safety by SGS</div>
Centra by Centara Government Complex Hotel & Convention Centre Chaeng Watthana	<div><ul style="list-style-type: none">ASEAN MICE Venue Standard (AMVS)Organization that Gives an Opportunity to Drug AddictsOrganization that Supports Women and Family Development Learning Center NonthaburiThe Organization of Excellence in Social Development</div>
Centra by Centara Maris Resort Jomtien	<div><ul style="list-style-type: none">“Traveler’s Choice Awards 2019” Top 25 Hotels for Families - No.16 in ThailandASEAN MICE Venue Standard (AMVS)</div>
Centra by Centara Hotel Mae Sot	<div><ul style="list-style-type: none">Thailand MICE Venue Standard 2019The Excellent Establishment on Labour Relations and Welfare 2019 - National Level</div>
COSI Samui Chaweng Beach	<div><ul style="list-style-type: none">“Loved by Guests Award Winner 2019” by Hotels.com, 8.6/10 Review</div>



Central Restaurants Group Co., Ltd.	<div><ul style="list-style-type: none">CRG receive award from Ministry of Social Development and Human Security for hiring disability staff and support those staff in terms of career path, wellbeing in their personal life and also provide initiate, implement projects to improve their working skillsCRG continuously win award for over 5 years on 2019 from Ministry of Social Development and Human Security for hiring disability staff and support those staff in terms of career path, wellbeing in their personal life and also provide initiate, implement projects to improve their working skills</div>
Mister Donut	<div><ul style="list-style-type: none">During 2016-2019 Mister Donut received The No.1 Brand Thailand Award for the 3rd consecutive year by Marketeer Research as holding first place in the donut category in Thailand for the yearDuring 2019 Mister Donut Thailand get Influential Brand Award 2019 in top brand – Bakery category by Neo Target Company Limited and Influential Brands (Singapore)</div>
KFC	<div><ul style="list-style-type: none">During 2019 KFC win award from Ministry of Labour for supporting antidrug using in organization Certificate Presentation Ceremony By the Department of Labor Protection and Welfare</div>
Auntie Anne’s	<div><ul style="list-style-type: none">During 2019 Auntie Anne’s Thailand get award Franchisee of the Year 2018, the most prominent franchise in 2019, by Auntie Anne’s Thailand has ranked No. 1 in more than 50 countries around the world from FOCUS Brands International. Franchise owner Auntie Anne’s ThailandDuring 2019 Auntie Anne’s Thailand received The No.1 Brand Thailand Award for the first year by Marketeer Research as holding first place in the Bakery Shop category in Thailand for the yearDuring 2019 Auntie Anne’s Thailand get Influential Brand Award 2019 in top brand – Food kiosk category by Neo Target Company Limited and Influential Brands (Singapore)During 2019 Auntie Anne’s Thailand win award from Ministry of Labour for supporting antidrug using in Organization Certificate Presentation Ceremony By the Department of Labor Protection and Welfare</div>
Shabuton	<div><ul style="list-style-type: none">During 2019 Chabuton win award from Ministry of Labour for supporting antidrug using in Organization Certificate Presentation Ceremony By the Department of Labor Protection and Welfare</div>
Yoshinoya	<div><ul style="list-style-type: none">During 2019 Yoshinoya win award from Ministry of Labour for supporting antidrug using in Organization Certificate Presentation Ceremony By the Department of Labor Protection and Welfare</div>
Ootoya	<div><ul style="list-style-type: none">During 2019 Ootoya win award from Ministry of Labour for supporting antidrug using in Organization Certificate Presentation Ceremony By the Department of Labor Protection and Welfare</div>
Katsuya	<div><ul style="list-style-type: none">During 2019 Katsuya win award from Ministry of Labour for supporting antidrug using in Organization Certificate Presentation Ceremony By the Department of Labor Protection and Welfare</div>
Tenya	<div><ul style="list-style-type: none">During 2019 Tenya win award from Ministry of Labour for supporting antidrug using in Organization Certificate Presentation Ceremony By the Department of Labor Protection and Welfare</div>

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 Grand Beach Resort & Villas Hua Hin



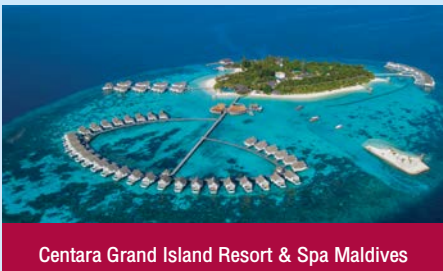
Centara Grand Mirage Beach Resort Pattaya



Centara Grand Beach Resort Phuket



Centara Grand Phratamnak Pattaya



Centara Grand Island Resort & Spa Maldives



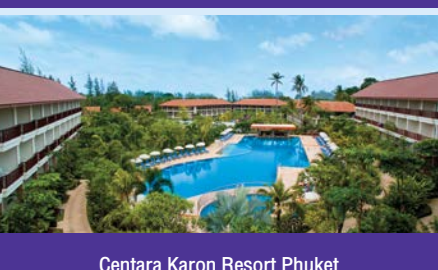
Centara Villas Samui



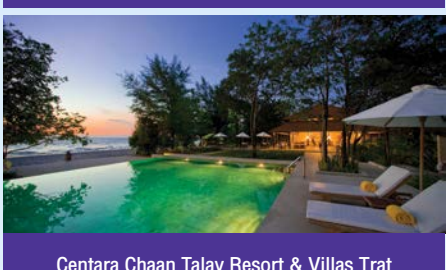
Centara Villas Phuket



Centara Kata Resort Phuket



Centara Karon Resort Phuket



Centara Chaan Talay Resort & Villas Trat



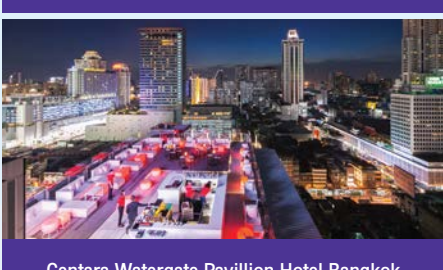
Centara Hotel Hat Yai



Centara Hotel & Convention Centre Udonthani



Centara Anda Dhevi Resort & Spa Krabi



Centara Watgate Pavillion Hotel Bangkok



Centara Azure Hotel Pattaya



Centara Pattaya Hotel



Centara Q Resort Rayong



Centara Koh Chang Tropicana Resort



Centara Nova Hotel & Spa Pattaya



Centara Ao Nang Beach Resort & Spa Krabi



Centara Ras Fushi Resort & Spa Maldives



Centara Ceysands Resort & Spa Sri Lanka



Centara Sandy Beach Resort Danang



Centara Muscat Hotel Oman



Waterfront Suites Phuket by Centara



Centara West Bay Residences & Suites Doha



Centara Sonrisa Residences & Suites Sriracha



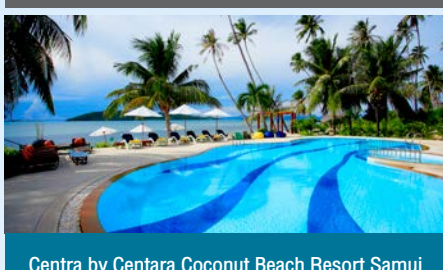
Khum Phaya Resort & Spa, Centara Boutique Collection



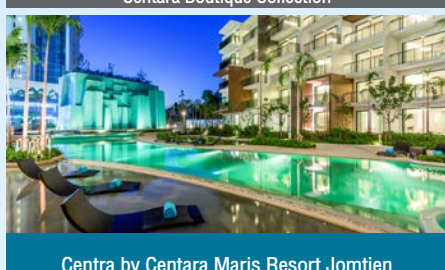
Maikhao Dream Villa Resort & Spa,
Centara Boutique Collection



Centra by Centara Government Complex Hotel
& Convention Centre Chaeng Watthana



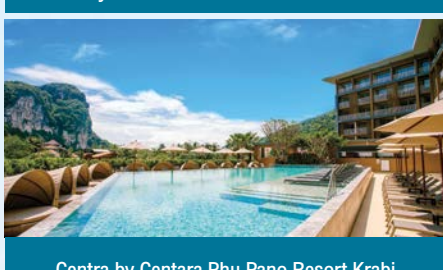
Centra by Centara Coconut Beach Resort Samui



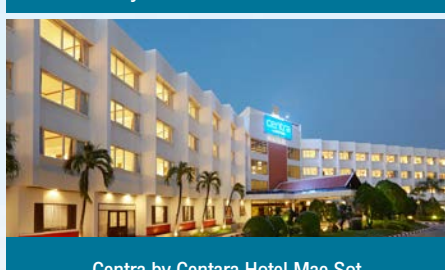
Centra by Centara Maris Resort Jomtien



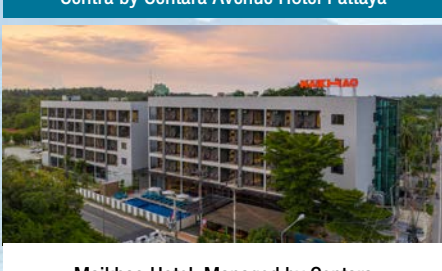
Centra by Centara Avenue Hotel Pattaya



Centra by Centara Phu Pano Resort Krabi



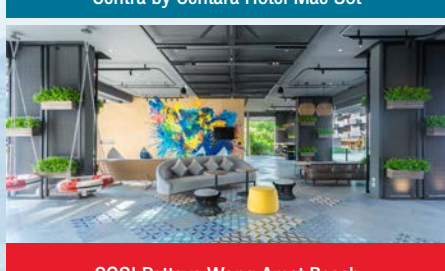
Centra by Centara Hotel Mae Sot



Maikhao Hotel, Managed by Centara



COSI Samui Chaweng Beach



COSI Pattaya Wong Amat Beach



CONTENTS

DIRECTORS' REPORT

• Financial Highlights	10
• Message from Chairman	12
• Board of Directors	14

BUSINESS REVIEW

HOTEL BUSINESS

• Message from Chief Executive Officer Centara Hotels & Resorts	18
• Message from Deputy Chief Executive Officer Centara Hotels & Resorts	20
• Hotel Business Group History	22
• Thailand's Tourism Industry Overview	27
• Centara Family	28
• Performance Highlights	31
• Business Development	32
• Group Marketing	32

RESTAURANT BUSINESS

• Message from President Central Restaurants Group Co., Ltd.	36
• Restaurant Business Group History	38
• Restaurant Business Overview	40
• Business and Competition Situation	40
• Performance Highlights	41
• Central Restaurants Group Family	42
• Business Development	46

CORPORATE SOCIAL RESPONSIBILITY
& SUSTAINABLE DEVELOPMENT

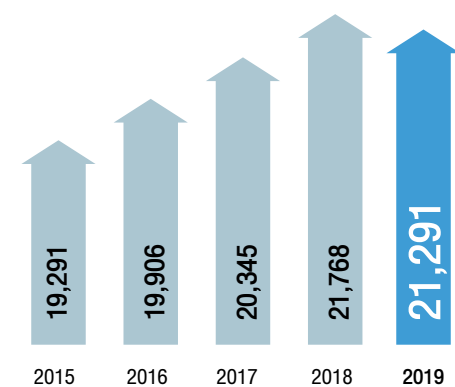
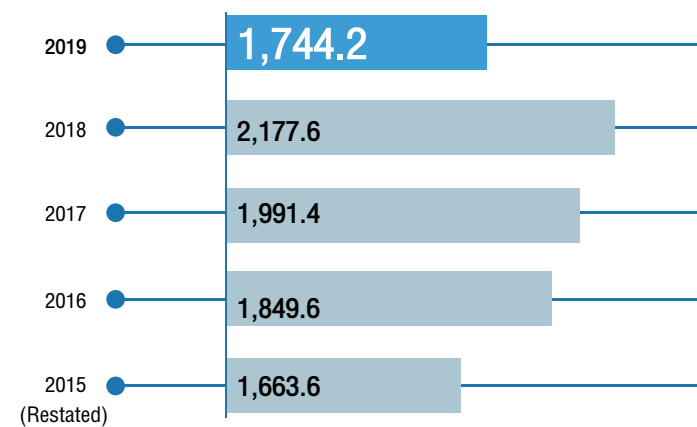
• Corporate Social Responsibility & Sustainable Development	50
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FINANCIAL STATEMENTS

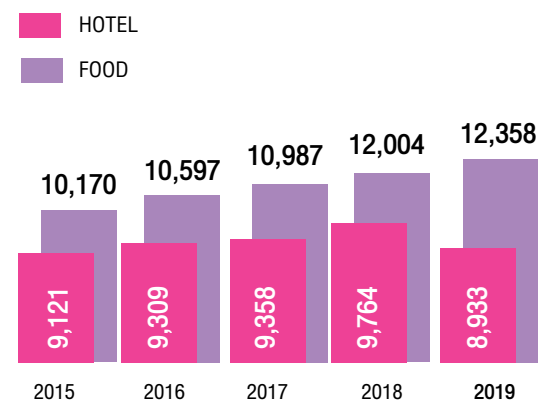
• Report of The Audit Committee	98
• Report of The Nomination and Compensation Committee	100
• Report of Risk Management & Corporate Governance Committee	101
• Report of Responsibility of The Board of Directors to Financial Statements	103
• Independent Auditor's Report	104
• Financial Statements	112
• Letter of Clarification for CENTEL's Operating Performance Results	201
• Business Structure	218
• Revenue Structure	220
• Risk Factors	222

CORPORATE GOVERNANCE

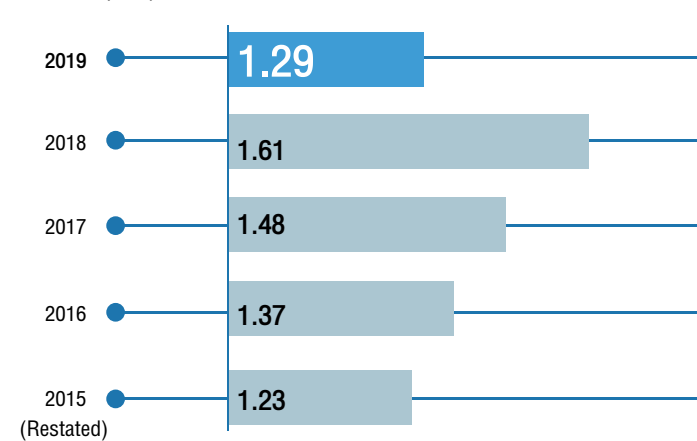
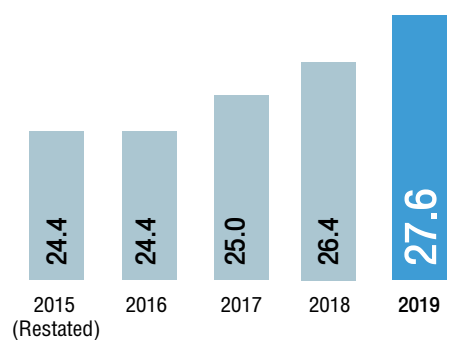
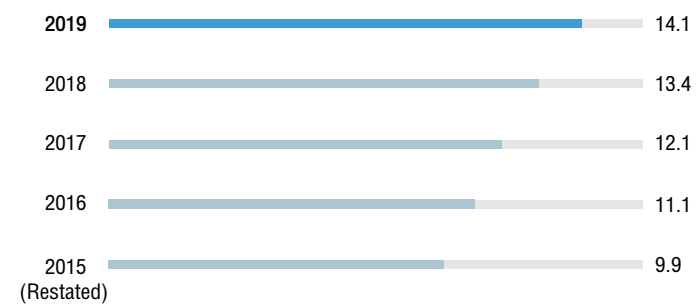
• Corporate and Management Structure	228
• Internal Auditing	236
• Director Biography	238
• List of Shareholders	249
• Remuneration of The Directors and Management	252
• Auditor's Fee	254
• Good Corporate Governance	255
• Connected Transactions	267
• General Information of Business Held by the Company 10% upward	276
• Company's General Information	280
• Information of Debentures	281
• Other Reference Firms	282
• Corporate Management	283

TOTAL CONSOLIDATED REVENUE
(Baht Millions)NET PROFIT AFTER TAX
(Baht Millions)

2019 Extra - Ordinary loss totaling Baht 14.2 million*
 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*

HOTEL AND FOOD REVENUE
(Baht Millions)

TOTAL : 21,291

EARNINGS PER SHARE
(Baht)TOTAL CONSOLIDATED ASSETS
(Baht Billions)SHAREHOLDERS EQUITY
(Baht Billions)

FINANCIAL HIGHLIGHTS

	(Unit : Million Baht)		
	2019 Consolidated	2018 Consolidated	2017 Consolidated
Operating Results			
Revenues from Sales	20,622.7	21,263.0	19,814.4
Total revenues	21,291.0	21,768.2	20,345.3
Gross profit ⁽¹⁾	11,437.0	11,957.2	11,167.8
Earnings before interest expenses and income tax	2,274.6	2,882.3	2,757.4
Net profit	1,744.2	2,177.6	1,991.4
Financial Position			
Total assets	27,589.6	26,447.4	25,037.3
Total liabilities	13,446.0	13,027.8	12,978.9
Interest bearing debts ⁽²⁾	7,717.2	7,075.8	6,965.2
Shareholders' equity	14,143.6	13,419.7	12,058.4
Retained earnings ⁽³⁾	11,318.1	10,451.3	9,101.2
Weighted Average Number of ordinary shares (million shares)	1,350	1,350	1,350
Key Financial Ratios			
Net profit margin (%) ⁽⁴⁾	8.3%	10.0%	10.1%
Return on assets (%) ⁽⁴⁾	6.4%	8.2%	8.2%
Return on equity (%) ⁽⁴⁾	12.4%	16.3%	17.1%
Interest bearing debts / Equity (times)	0.5	0.5	0.6
Total liabilities / Equity (times)	1.0	1.0	1.1
Earnings per share (Baht)	1.29	1.61	1.48
Book value per share (Baht)	10.48	9.94	8.93

(1) Gross profit calculated from revenues from sales less direct cost excluding depreciation, maintenance 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/2019 - extra-loss from investment in property fund accounted for equity method totaling Baht 14.2 million.

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.

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

MESSAGE FROM CHAIRMAN OF THE BOARD



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 2019.

Each year brings its own set of challenges. This past year saw modest global economic growth despite the ongoing negative trade and tariff situation between the world's two largest economies, China and the US, and the protracted Brexit process, which finally saw the United Kingdom leave the European Union on 31 January 2020. Furthermore, the strengthening Thai Baht continued to impact trade competitiveness and make Thailand a comparatively more expensive destination for tourists.

Notwithstanding the challenging macro market conditions, visitor arrivals to Thailand reached 39.8 million in 2019, surpassing 2018's record, and Chinese tourist arrivals rebounded modestly after declining in 2018. Market competitiveness intensified with hotel supply increasing but Centara Hotels & Resorts nevertheless succeeded in outperforming its peers, ending the year with a Revenue Generation Index (RGI) of 1.31, versus 1.29 the prior year. This indicates that, based on RevPar, Centara performed above competitors.

Reflecting its strength and resilience as a MICE destination, Thailand moved up in 2019 from No.5 to No.4 among all Asian countries for international conventions — while securing the No.1 ranking among ASEAN destinations for yet another year.

We remain steadfastly committed to strategically growing the business and expanding Centara's presence by doing what we do well and staying focused on delivering great customer experiences. We continue to add new destinations and introduce the Centara brand family to new audiences. Centara's affordable lifestyle brand, COSI, has great appeal to modern travellers who prefer convenience, adventure and flexibility when they travel. Pattaya's first COSI, COSI Pattaya Wong Amat Beach, opened in November, and we are excited to be opening the first COSI in Krabi in 2020.

The Mirage themed family resort concept, which has proven so successful at Centara Grand Mirage Beach Resort Pattaya, is expanding to the Middle East, to Dubai's Deira Island development, which will also open in 2020 – the first Centara property in the U.A.E.

Finally, 2020 will see the launch of Centara's luxury brand, Centara Reserve, when the completely reimaged and upgraded former Centara Grand Beach Resort Samui opens its doors as the iconic Centara Reserve Samui.

Our retail food business, Central Restaurants Group or CRG, held its own despite the slowdown in the Thai economy during the second half of 2019, which dampened consumer sentiment and shifted demand towards value-oriented promotions. Competition in the Quick Service Restaurant (QSR) sector intensified further, with a number of new entrants to the market arriving from both domestic and international brands. Our growth too continued however, as we added over 100 new outlets in 2019, taking the total number of outlets above 1,000 for the first time with KFC, Mister Donut and Auntie Anne's accounting for more than 800 outlets.

Our success as a company is a reflection of the continued support of our shareholders, business partners, suppliers and employees. I want to express my sincere appreciation for your commitment, dedication and hard work over the course of many years, and for the exciting future ahead of us.

Mr. Suthikiati Chirathivat
Chairman of the Board

BOARD OF DIRECTORS

KHUNYING SUCHITRA MONGKOLKITI
HONORARY ADVISOR OF BOARD COMMITTEE



MR. SUTHIKIATI CHIRATHIVAT
CHAIRMAN OF THE BOARD



MR. SUTHICHAIRATHIVAT
VICE CHAIRMAN



MR. THIRAYUTH CHIRATHIVAT

- CHIEF EXECUTIVE OFFICER
- MEMBER OF RISK MANAGEMENT AND CORPORATE GOVERNANCE COMMITTEE

CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED

MR. SUDHISAK CHIRATHIVAT
DIRECTOR



MR. SUDHITHAM CHIRATHIVAT

- DIRECTOR
- CHAIRMAN OF NOMINATION AND COMPENSATION COMMITTEE
- MEMBER OF RISK MANAGEMENT AND CORPORATE GOVERNANCE COMMITTEE



MR. PRIN CHIRATHIVAT

- DIRECTOR
- MEMBER OF NOMINATION AND COMPENSATION COMMITTEE
- MEMBER OF RISK MANAGEMENT AND CORPORATE GOVERNANCE COMMITTEE



MR. BHISIT KUSLASAYANON

- INDEPENDENT DIRECTOR
- MEMBER OF AUDIT COMMITTEE
- MEMBER OF NOMINATION AND COMPENSATION COMMITTEE



MS. SOPAWADEE LERTMANASCHAI

- INDEPENDENT DIRECTOR
- CHAIRMAN OF AUDIT COMMITTEE



MR. VICHIE TEJAPAIBUL

- MEMBER OF AUDIT COMMITTEE
- MEMBER OF NOMINATION AND COMPENSATION COMMITTEE



MR. GERD KURT STEEB
INDEPENDENT DIRECTOR



MR. NORACHIT SINHASANI
INDEPENDENT DIRECTOR



DR. RONNACHIT MAHATTANAPREUT

- SENIOR VICE PRESIDENT, FINANCE AND ADMINISTRATION
- CORPORATE SECRETARY

HOTEL BUSINESS OVERVIEW





MESSAGE FROM CHIEF EXECUTIVE OFFICER

CENTARA HOTELS & RESORTS

In 2019, we made significant progress during the second year of our five-year strategic plan, further expanding our footprint and leaving the company well-positioned to meet the challenges that lie ahead.

We reached a major milestone with the signing of an Investor Agreement with two Japanese partners for Centara's first hotel in Japan. The 515-room Centara Grand Hotel Osaka will occupy a gleaming 33-storey tower on a prime site in Osaka's Namba district when it opens in 2023.

Centara claimed the No.1 ranking in TripAdvisor's prestigious Traveler's Choice Awards 2019, with Centara Grand Mirage Beach Resort Pattaya voted the top-ranked family hotel in Thailand. Centara Grand Beach Resort Phuket earned the No.3 ranking. Centara Karon Resort Phuket achieved the No.5 ranking; and Centra by Centara Maris Resort Jomtien was ranked No.16.

And Centara's flagship, Centara Grand & Bangkok Convention Centre at CentralWorld, received the award for "Best Meetings and Conventions Hotel in Asia" at the 2019 TTG Travel Awards, for the fifth consecutive year.

In Thailand, Centara made its debut in Sriracha in 2019 with the opening of Centara Sonrisa Residences & Suites Sriracha, and opened our fourth Krabi resort, the much-anticipated Centara Ao Nang Beach Resort & Spa Krabi. In late 2019 we added two managed properties in Phuket — Maikhao

Dream Villa Resort & Spa, Centara Boutique Collection and Maikhao hotel, Managed by Centara and launched the first COSI in Pattaya, COSI Pattaya Wong Amat Beach.

During 2019, we signed 8 new Hotel Management Agreements including the company's second hotel in Doha, which will open in early 2020 as The B Premiere Hotel, Centara Boutique Collection. These new additions during the year bring us to 76 properties operating and in development across Thailand and in 14 countries overseas.

The company was recognised by the Thailand Top Corporate Brand Hall of Fame 2019, in the Tourism & Leisure category, representing the fifth consecutive year Centara was named one of Thailand's Top Corporate Brands. Organised by Chulalongkorn University and the Stock Exchange of Thailand (SET), the awards programme recognises publicly-listed companies with superior corporate brand values.

The SET also categorised our company as a "Thailand Sustainability Investment" for the second consecutive year, in recognition of our performance in Environmental, Social and Governance aspects. This is further testament to our high standards of business operations and our enduring commitment to social and environmental responsibilities.

The company's environmental sustainability programme marked

a significant milestone in 2019 by eliminating single-use plastic items at all hotels and resorts. We also celebrated the successful launch of Centara's first fully operational renewable energy system. The initiative involved converting to full rooftop solar panels at Centara Ras Fushi Resort & Spa Maldives. The rooftop solar conversion is one of Centara's most ambitious sustainability projects ever undertaken at a single property. The system will generate enough power to supply close to 40% of the resort's total energy needs.

In summary, we are encouraged not only by the progress we are making toward achieving our ambitious growth goals, but also in contributing to our communities and satisfying our guests. I look forward to continuing this progress in 2020.

Mr. Thirayuth Chirathivat
Chief Executive Officer
Centara Hotels & Resorts

MESSAGE FROM DEPUTY CHIEF EXECUTIVE OFFICER

CENTARA HOTELS & RESORTS

As of 31 December 2019, the company is operating or developing 76 hotels and resorts with close to 15,000 rooms across 14 countries. This represents growth of 10% over the same time last year and positions the company well towards achieving its target to grow to more than 170 hotels and resorts by 2024.

The renovations and complete upgrade of Centara Grand Beach Resort Samui have been progressing well, and when completed in December 2020, the hotel will be repositioned to a luxury level, the first of a new brand to be announced in early 2020. Together with the opening of Centara Mirage Resort Dubai, the joint venture project opening in the last quarter of 2020, this will represent significant new inventory and revenues.

The company continues to source new acquisition opportunities and to identify investment prospects in new but related business fields. An announcement will be made early in the New Year regarding a collaboration in the fastest-growing wellness area of the hospitality business.

In 2019, the company launched a new advertising campaign anchored around the slogan Centara – The Place to Be, and following extensive research, updated the brand identity and positioning of its core brands including the leading Centara Grand brand and its mainstay



Centara brand. The refresh has been well received, helping to both better define and differentiate the brands. Throughout the year, work also continued on the redevelopment and upgrade of the company's website and mobile experience, which will be launched on a best-in-class technology platform in the middle of the year and will result in the online booking conversion rate increasing two-fold.

Finally, the rollout of the company's new technology platform - dubbed Centara Technology Architecture – comprising a new, integrated cloud-based Property Management System (PMS), Central Reservations System (CRS) and Revenue Management System (RMS), has been completed across properties generating over half of the company's revenue, and the migration is expected to be concluded across all hotels and resorts by mid-2020. This will then enable the company to improve room rate yields and grow company REVPAR (revenue per available room) substantially.

Your support throughout these exciting times for the company continues to be 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 Samritr, 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 and 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 historic property is one of Asia's leading heritage hotels, 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.

Whilst tourism generating enormous demand for hotel rooms in Thailand, and the group enjoying significant success, the company listed on Stock Exchange of Thailand in 1990 and embarked on further expansion. One of the most dramatic developments was the five-star hotel which opened on Chaweng Beach in Samui in 1995.

Samui had until then been primarily a backpacker destination, but Centara Grand Beach Resort Samui was one of the main catalysts for change. Occupying a prime position at Chaweng Beach, the hotel's success was followed by three other Centara resorts on the island — Centara Villas Samui, Centra by Centara Coconut Beach Resort Samui and COSI Samui Chaweng Beach.

Since mid-2019, Centara Grand Beach Resort Samui has been closed for a complete renovation and upgrading to a new level of luxury. Once complete in December 2020, the hotel will return as Centara Reserve Samui, the first of a new luxury brand to be introduced in the same year.

Not only was Central Group willing to invest in other hotels, there were hotel owners viewing the success of the group with interest, and requesting 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.

Late in 2009, Centara opened its first overseas hotel, Centara Grand Island

Resort & Spa Maldives. That marked the beginning of a strategic expansion that extended the Centara footprint to destinations in ASEAN, China, the Indian Ocean and across the Middle East, while it continues to add to its portfolio in Thailand.

Centara's growing presence includes operating properties in Oman with Centara Muscat Hotel Oman and Qatar with Centara West Bay Residences & Suites Doha. In 2017 Centara inked a Joint Venture agreement for its first hotel in the UAE, the 601-room Centara Mirage Beach Resort Dubai, and in 2019 an Investor Agreement was signed for the company's first hotel in Japan, the 515-room upper upscale Centara Grand Hotel Osaka.

Centara's newest brand COSI will be prominent in the group's expansion strategy and following the 2017 opening of COSI Samui Chaweng Beach, COSI Pattaya Wong Amat Beach opened in 2019 with additional projects also in development in Chiang Mai, Krabi and Vientiane. COSI is an affordable lifestyle brand for the modern traveller whose priorities are flexibility, connectivity, and value for money.

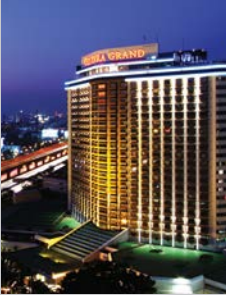
With Centara's popularity increasing, the company launched its loyalty programme in 2013. CentaraThe1 members earn points when staying at designated properties in Thailand and overseas, as well as when dining at Centara's fabulous array of restaurant outlets or indulging at the award-winning spa facilities. The points can then be 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 when 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.

Centara Hotels & Resorts closed the year with a portfolio of 53 managed and 23 owned properties; 42 properties are in operation whilst 34 are under development, of the total 76 properties located in 14 countries: Thailand, Vietnam, Indonesia, Laos, Cambodia, Myanmar, Japan, Sri Lanka, Maldives, China, Qatar, Oman, UAE and Turkey.

GROUP HISTORY

1983

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



1986

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



1990

- Listed on Stock Exchange of Thailand



2007

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



2009

- Centara Grand Mirage Beach Resort Pattaya a first themed hotel in Thailand, 5-star property on Wong Amat Beach had its Grand Opening on November 3
- The Centara Grand Island Resort Maldives opened its mainly overwater 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



2018

- Opened Centara West Bay Residences & Suites Doha



1983	<ul style="list-style-type: none">Hyatt Central Plaza, Bangkok and Bangkok Convention Centre officially opened	2008	<ul style="list-style-type: none">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	2013	<ul style="list-style-type: none">Opened the second owned hotel in Maldives, Centara Ras Fushi Resort & Spa MaldivesOpened managed hotel in Phang Nga, Centara Seaview Resort Khao LakAcquired 8 management contracts in ThailandAcquired 2 management contracts in Ethiopia and QatarOwned and joint venture total 15 hotels and resorts in Thailand and Maldives	2016	<ul style="list-style-type: none">Opened Centra by Centara Maris Resort JomtienOpened Centra by Centara Phu Pano Resort KrabiOpened Centara Azure Hotel PattayaSigned 1 hotel management in ThailandSigned 1 hotel management in Doha, QatarInvestment (JV) 1 hotel in Dubai, United Arab EmirateInvestment COSI hotel in Pattaya, Thailand	2017	<ul style="list-style-type: none">Opened Centara Muscat Hotel OmanOpened COSI Samui Chaweng BeachSigned 1 hotel management in ThailandSigned 1 hotel management in the MaldivesSigned 1 hotel management in Pakse, LaosSigned 1 hotel management in Phnom Penh, CambodiaInvestment 2 Centara hotels in MaldivesInvestment Centra by Centara hotel in Bangkok, ThailandInvestment Centara Grand hotel in Samui, Thailand	2018	<ul style="list-style-type: none">Opened Centara West Bay Residences & Suites DohaSigned 6 hotel management in ThailandSigned 3 hotel management in LaosInvestment 1 COSI hotel in Chiangmai, Thailand
1986	<ul style="list-style-type: none">HRH. Princess Somsawali graciously presided over the grand opening ceremonyOpened and fully-renovated Sofitel Central Hua Hin Resort	2009	<ul style="list-style-type: none">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 3The Centara Grand Island Resort Maldives opened its mainly over water villas being the first overseas property of Centara Hotels & Resorts	2014	<ul style="list-style-type: none">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	2019	<div>Open 5 new hotels in Thailand</div> <div><ul style="list-style-type: none">COSI Pattaya Wong Amat BeachCentara Ao Nang Beach Resort & Spa KrabiCentara Sonrisa Residences & Suites SrirachaMaikhao Hotel, Managed by CentaraMaikhao Dream Villa Resort & Spa, Centara Boutique Collection</div> <div>Signed 1 Hotel management in Laos</div> <div>Signed 2 Hotel management in Qatar</div> <div>Signed 1 Hotel management in Myanmar</div> <div>Signed 4 Hotel management in Thailand</div> <div>Investment in 1 Hotel in Osaka, Japan</div> <div>As end of 2019, we own and operate 18 hotels and resorts in Thailand (16) and Maldives (2) plus 1 COSI hotel in Thailand, 2 Centara hotels in the Maldives, 1 Centara hotel in United Arab Emirates and 1 Centara Grand hotel in Japan in the pipeline.</div> <div>For managed business, we operate 25 hotels and resorts in Thailand,Vietnam, Sri Lanka, Oman and Qatar plus 28 hotels and resorts in the pipeline including Thailand, Indonesia, Cambodia, Myanmar, Laos, China, Qatar, the Maldives and Turkey.</div>				
1988	<ul style="list-style-type: none">Entered into Hotel Management Agreement for Central Wong Amat Beach Resort	2010	<ul style="list-style-type: none">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	2015	<ul style="list-style-type: none">Reopened managed hotel after an extensive renovation plan in RayongAcquired 1 hotel management and rebranded 1 convention centre in ThailandAcquired 3 hotel managements in ChinaAcquired 4 hotel management agreements in Vietnam, Turkey, Doha and CubaInvested in COSI hotel in Samui						
1990	<ul style="list-style-type: none">Listed on Stock Exchange of ThailandAcquired Central Mae Sot Hotel	2011	<ul style="list-style-type: none">Acquired 11 managed hotels & resorts in ThailandAcquired 12 managed hotels & resorts overseas including new locations in Bali, Sri Lanka, China and Mauritius								
1995	<ul style="list-style-type: none">Opened Central Sukhontha Hotel, Hat Yai	2012	<ul style="list-style-type: none">Opened Centra Government Complex Hotel & Convention Centre Chaeng WattanaAcquired 3 management contracts in ThailandAcquired 2 management contracts in Vietnam and Maldives								
1996	<ul style="list-style-type: none">HRH. Princess Somsawali graciously presided over the grand opening ceremony of Central Samui Beach Resort										
1998	<ul style="list-style-type: none">Rebranded the group as Central Hotels & Resorts										
1999	<ul style="list-style-type: none">Opened Central Karon Village, Phuket										
2003	<ul style="list-style-type: none">Opening of ZICO's Brazilian Grill and Bar in Samui										
2006	<ul style="list-style-type: none">HRH. Princess Ubonrattana graciously presided over the grand opening ceremony of Central Krabi Bay Resort on November 12, 2006										
2007	<ul style="list-style-type: none">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										
Total portfolio 76 hotels and resorts						14,758 Keys					

24

25

THAILAND'S TOURISM INDUSTRY OVERVIEW



The year 2019 established a new record for Thailand's tourism industry, as foreign tourist arrivals reached 39.8 million for the 12-month period ending in December 2019, roughly 1.6 million more than the 38.18 million total foreign visits in 2018. While the 4.2% year-on-year increase in 2019 was respectable, it fell short of expectations.

The record number of foreign visitors in 2019 was achieved despite a number of challenges. The Thai Baht continued to strengthen against major global currencies, finishing the year nearly 9% stronger against the US dollar, making Thailand a pricier destination for foreign visitors. The Thai economy registered another year of slow growth, expanding just 2.4%, which was lower than forecast and the weakest performance since 2014.

The nearly 40 million international visitors in 2019 are estimated to have spent 2.01 Trillion Baht during their stays, equivalent to nearly 13% of Thailand's gross domestic product (GDP). When indirect revenues are included, tourism spending accounted for close to 20% of GDP for 2019.

In US dollar terms, full-year 2019 tourism revenues totalled USD 62.29 Billion, an increase of 7.3% from USD 58.07 Billion in 2018.

A number of evident tourism trends and themes continued to influence Thailand's hospitality industry during 2019. China remained the #1 source country for foreign tourists, as visitor numbers showed modest

growth in 2019 from the previous year's downturn related to the Phuket boating tragedy. At just under 11 million foreign tourist arrivals in 2019, up from 10.53 million in 2018, China was the source market for 27% of foreign visitors in 2019.

ASEAN continued to drive tourism growth, accounting for 10.62 million arrivals in 2019, an increase of 4.2% from 2018. Among smaller but fast-growing source markets, India finished the year just below 2 million tourist arrivals, a gain of 25% from 2018.

In 2019, visitor arrivals from Russia rebounded following a significant drop the previous year. The 1.48 million visitors arriving from Russia in 2019 reflected a gain of 17.7% from the 1.26 million total arrivals in 2018.

North America, Western Europe and U.K. source markets accounted for little to no growth year-on-year, while visitor numbers from Australia declined 4% in 2019, to 769,000, after reaching 801,000 in 2018.

CENTARA FAMILY

As of the end of 2019, there are six hotel brands, two Spa brands and a loyalty programme within the Centara family.



CENTARA
GRAND

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

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 RESIDENCES & 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

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

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 programme incorporating anatomy, physiology, guest service techniques and over 40 styles of spa treatments.



CENTARA The1

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 2019, Centara Hotels & Resorts operated 76 owned and managed hotels, with nearly 15,000 rooms across 14 countries under six brands: Centara Grand, Centara, Centara Boutique Collection, Centara Residences & Suites, Centra by Centara, and COSI.

Revenue from our hotel business in 2019 was 8,896 Million Baht, which when compared to the revenue earned in 2018 represented a decrease of 8.9% from our 18 company-owned hotels, whilst revenues from hotel management fees was 181 Million Baht, a decrease of 339 Million Baht, or 23.7%, in net profit compared to 2018.

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.

Intensifying competition and tepid growth in tourist arrivals continued to impact Thailand's major resort destinations. Chinese tourist arrivals recovered, but only modestly, from the precipitous drop that followed the Phuket boating tragedy in mid-2018.

The conditions were made more challenging with the continued strengthening of the Thai Baht during 2019. Travellers from the U.K., Western Europe and even Australia important source markets for Centara were more willing to consider alternative destinations that offered more perceived value, and where western currencies had greater purchasing power

Thailand has often shown itself to be resilient when faced with challenging conditions in its hospitality industry, Centara had a number of positive achievements at its hotels and resorts during 2019.

The company's flagship Centara Grand & Bangkok Convention Centre at CentralWorld showed particular strength from its MICE business during 2019, with the Bangkok Convention Centre achieving record high annual revenue exceeding 602 Million Baht.

Centara's two owned resorts in the Maldives showed resilience despite a number of new resort openings in 2019, which expanded supply significantly and led to heavy discounting. Centara Ras Fushi Resort &

Spa Maldives achieved a full-year occupancy rate of 84.5%. Centara Grand Island Resort & Spa Maldives finished the year with an occupancy rate of 81.2%, and the resort was named the 2019 Winner for Luxury Family All Inclusive Resort (Indian Ocean Islands) by the World Luxury Hotel Awards.

Centara Grand Beach Resort & Villa Hua Hin finished 2019 with several noteworthy successes. The iconic resort ended the year with gains in both occupancy rate and average room rate compared to 2018 results. It also retained the number one position in RevPAR within its competitor set in Hua Hin.

Centara Grand Beach Resort Phuket managed to end the year with a strong Q4 performance, bringing full-year occupancy levels to around 82%. The resort achieved an average room rate in 2019 that was 1.7% higher than the previous year. At the same time, TripAdvisor's Traveler's Choice Awards 2019 ranked Centara Grand Beach Resort Phuket #3 for Top Hotels for Families in Thailand.

Centara Villas Phuket also produced a strong fourth quarter to bring its full-year occupancy rate to above 81%, while its average room rate in 2019 increased slightly over the previous year.

Like Phuket, Koh Samui saw a significant drop-off in Chinese tourists following the Phuket boat tragedy, and business has been slow to recover. Centara Villas Samui experienced a difficult year but did manage to achieve an average daily room rate both above budget and higher than in 2018.

The newest company-owned property debuted in Pattaya in late-2019. The 282-room COSI Pattaya Wong Amat Beach officially opened in November and will become fully operational in 2020.

**BUSINESS
DEVELOPMENT**
BY CENTARA INTERNATIONAL
MANAGEMENT (CIM)

2019 was another great year for Centara Hotels & Resorts during which we continued our business expansion in Thailand and other Asian countries. Last year, Centara managed to secure 9 more projects through Joint Venture Investment and HMAs to develop hotels and resorts in Phuket, Cha-Am, Luang Pra-Bang, Doha, Inle Lake, and Osaka which will add another 1,544 keys into our pipeline. Centara Hotels & Resorts closed the year with a portfolio of 76 properties in 14 countries: Thailand, Vietnam, Indonesia, Laos, Cambodia, Sri Lanka, Maldives, China, Qatar, Oman, UAE, Turkey, Myanmar, and Japan.

Out of the said 76 properties, 53 are managed, 23 are owned and 43 have opened and are operating. Further details regarding the growth of Centara Hotels & Resorts in 2019 in terms of new investment and management agreement projects are set out below:

A. 8 NEW HOTEL MANAGEMENT PROPERTIES:

Thailand

- Maikhao Hotel, Managed by Centara (142 keys)
- Maikhao Dream Villa Resort & Spa, Centara Boutique Collection (22 keys)
- Centra by Centara Maikhao Resort Phuket (280 keys)
- Centra by Centara Cha Am Beach Resort Hua Hin (190 keys)

Overseas

- Centara Hotel Luang Prabang (48 keys)
- The B Premiere Centara Boutique Collection (85 keys)
- Centara Al Bustan Hotel Doha (167 keys)
- Centara KMA Resort Inle Lake (95 keys)

B. 1 NEW INVESTMENT PROJECT APPROVED:

- Centara Grand Hotel Osaka (515 keys)

In line with Central Group's strategy, for 2019 we further focused our expansion on Asian countries by way of investments and management agreements. We strengthened our portfolio in AEC countries by expanding in strategic locations in Thailand, Laos and Myanmar. We also leveraged our existing presence in Middle East and secured two additional management contracts in Qatar. Finally, we invested in our first flagship property in Japan.

GROUP MARKETING

2019 was a challenging year for the tourism industry at large with many of the difficulties faced in the second half of 2018 persisting throughout 2019. The ongoing trade and tariff situation between the world's two most significant economies, the drawn-out Brexit process and the strengthening Thai Baht all took their toll. In unfavourable circumstances however, Centara Hotels & Resorts continued to outperform, and grow market share against, its competitors, reflecting the strength of the Brand, customer loyalty and effectiveness of the sales and marketing strategies in place.

Total revenues for 2019 amounted to 8,476 Million Baht, a -7% decline on prior year on a like-for-like basis, which predominantly came from a fall in occupancy (down -4.5% to 77.2%). The rate fell to a much lesser extent (marginally down by -2% to 4,475 Baht). Food and Beverage contributed 24% of total revenue while spa contributed 2% and Convention Centre business 9%. Whilst the results fell short of the highs of 2018, Centara's Revenue Generation Index (RGI) increased from 1.29 in 2018 to 1.31 in 2019, demonstrating that in a declining market, the group managed to perform better than, and increase its share of revenue versus, its peers. Of all destinations, Bangkok was the strongest performer across the group, supported by some strong convention centre and group business at Centara Grand & Bangkok Convention Centre at CentralWorld and Centara Grand at Central Plaza Ladprao. While most source markets showed year on year declines across the group, Centara was able to offset some of these shortfalls by taking advantage of buoyant growing markets. India and South Korea represented significant growth.

The revenue performance and growth versus competitors was achieved through strategic initiatives designed to protect and develop the Centara brand, drive revenues from key markets and deliver efficiencies and effectiveness through systems and processes.

At a foundational technology level, the rollout of the new revenue and reservations technology architecture is a critical factor to business performance both in 2019 and ongoing. The new property management system (PMS), revenue management system (RMS) and central reservations system (CRS) integrated platform was implemented across all major revenue-generating properties enabling advanced pricing strategies and rate optimisation. This will be completed in 2020 but is the bedrock of effective data, customer, channel and rate management which underpins the business.

Strengthening the Centara brand platform and assets was also a key priority in 2019. Refining the foundations of the brand is key to driving competitive difference, future development and growth. Centara's new brand architecture was launched, which included a refreshed masterbrand positioning and essence centred on the unique Thai family values that are at the heart of the company, whilst the hotel brands were repositioned and redesigned to ensure market and audience relevance, modernisation and distinction. Two new brands were also added to the portfolio for announcement in 2020, which will support the company's expansion objectives and allow it to extend into new market segments. The updated brand platform was supported with a new brand advertising campaign

encompassing the company's compelling new slogan "The Place to Be".

The design of the new digital website and mobile brand experience was also completed in 2019 with technical development ongoing for launch in 2020. As the shop window to the brand, this will be vital in driving customer perception and generating online sales. In 2019, Centara website room revenues increased by +16% over 2018 as a result of strong rate parity control across channels, targeted online marketing campaigns and traffic acquisition efforts, and enhanced incentives for Centara The1 members to stimulate customer engagement and retention.

Among the successful campaigns in 2019 was Centara's 36th anniversary initiative. 36 is a significant number in the lunar calendar and as such, a cause for celebration. This landmark was leveraged not only to honour decades of hospitality success but also as a promotional opportunity to drive revenues. The 36-day campaign which began on the third day of the sixth month of the year, aptly generated 36 Million Baht in revenue from rooms sales as well as another 9 Million Baht in value from media exposure.

The Centara The1 loyalty programme remains a significant network brand asset, a key driver of Centara's direct revenues and the primary customer communication platform. Through aggressive data capture and member acquisition campaigns, the number of members increased to 7.06 Million Baht in 2019, up from 4.71 Million Baht in 2018, whilst emailable members increased from 1.2 Million Baht to 1.6 Million Baht.

The strength of the Centara brand and diversity of its portfolio, its powerful digital platforms and its substantial loyalty programme and database, are key value drivers and differentiators for prospective partners and owners when it comes to developing Centara's brand footprint. These assets were instrumental in Centara growing its portfolio of hotels to 76 by the end of 2019, through the addition of eight management agreements and one joint venture agreement for hotels across four countries. These include debuts in Myanmar and Japan. Of the projects added or already in the development pipeline, several welcomed guests for the first time in 2019 as the company opened six hotels and resorts in Krabi, Sriracha, Phuket and Pattaya. The latter, COSI Pattaya Wong Amat Beach, is the group's second COSI-branded hotel, following the launch of COSI Samui Chaweng Beach in 2018.

From an organisational perspective, an experienced Commercial Vice President was appointed to lead the sales, revenue and reservations teams and steer the company's revenue generating function. Joining in late 2019, the full benefit of this commercial leadership and expertise will be reaped in 2020 and beyond.

2019 not only saw Centara Hotels & Resorts outperform its peers in a very challenging market, but it was also a year where the foundations were laid for an even more successful future. From a brand, technology, digital and organisational standpoint, the building blocks have been put in place to transform and grow the business to new heights.



RESTAURANT BUSINESS
OVERVIEW



MESSAGE FROM PRESIDENT

CENTRAL RESTAURANTS GROUP CO., LTD.

As 2019 was a challenging year for the restaurant business since the purchasing power of consumers has not recovered, coupled with the increase in the number of restaurants and high business competition including structural changes, both from smaller households and changing consumer lifestyles, the company has therefore made rapid adjustments to its strategies to support competition in accordance with customer behavior. The company has renovated new stores, renovated the shops to look more modern, reduced branch sizes to increase flexibility, penetrated the market to reach more customers by expanding branches in gas stations, hospitals, office buildings thereby increasing the chances of reaching a wider consumer group. In addition, the company has implemented measures that focus on increasing efficiency in all aspects and continuously controlling costs and expenses. Technology was applied for the convenience and speed of service. Modification of communication channels was made to suit the lifestyle of consumers, including the development of Central Kitchen to control the cost and quality of food with a new POS System, including creating new DNA for employees 4.0.



In 2019, we also aimed to create and present new brands, in order to increase diversity and create new experiences for customers. We have developed and added more than 5 new brands to our business family in striving to continually expand upon new types of businesses and sales channels, especially in the delivery business which will aid in strengthening the company's growth in the future.

On behalf of the management and staff of Central Restaurants Group Co., Ltd. we would like to thank shareholders, customers, business partners, business alliances and stakeholders who have extended support which, needless to say, was integral in driving the company to achieve its goals. The company will conduct the business with great care, by adhering to the principles of good corporate governance and responsibility to all stakeholders in order for the company to continue to grow in a firm and sustainable manner.

A handwritten signature in black ink, appearing to read 'Nath Vongpanich'.

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

RESTAURANT BUSINESS GROUP HISTORY

At present, there are totally 1,064 restaurants in CRG Group nationwide (data as of December 2019).

1978

Introduce Mister Donut to Thai consumers, it is considered as the origin of franchise food business in Thailand.

1984

Introduce KFC Fried Chicken, one of the world's strong brands accepted by consumers around the world, to Thailand's food market.

1998

Penetrate the segment of the Light Snack market by introducing Auntie Anne's pretzel products which are widely popular snacks in the United States.

2007

Introduce 'Pepper Lunch' Brand, Japanese style steak store, with the copyright from Japan, to the market.

2010

- Get a license of Chabuton Ramen Restaurant, the best ramen winner in 2002 TV Champion Program
- Get a license of 'Cold Stone Creamery' from the United States
- Manage 'Thai Terrace' Thai Restaurant

2011

- Get a license of 'Yoshinoya' Restaurant, the best original Japanese rice bowl
- Get a license of Ootoya Brand, a premium Japanese restaurant

2013

Get a license of Tenya Brand, the #1 tempura bowl rice from Tokyo.

2014

Get a license of Katsuya Brand, Tonkatsu restaurant with authentic Japanese flavor, from Japan.

2019

- Get a license of Aroi Dee Brand, the street fast food with valuable price
- Get a license of Suki House Brand, the homemade-style suki restaurant with valuable price
- Get a license of Soft Air Brand
- Get a license of Kowlune Brand, the original and luxurious Chinese restaurant with affordable price from China
- Launch Salad Factory Brand, the salad shop for health



Brand	Branches
Mister Donut	370
KFC	279
Auntie Anne's	182
Pepper Lunch	47
Chabuton	19
Cold Stone Creamery	17
Thai Terrace	10
Yoshinoya	19
Ootoya	50
Tenya	15
Katsuya	36
Aroi Dee	15
Suki House	3
Soft Air	1
Kowlune	1
Total ⁽¹⁾	1,064

(1) Excluded "Salad Factory" which Central Restaurants Group owned 51% (Joint venture). No.of branches is 7.



RESTAURANT BUSINESS
OVERVIEW

The restaurant business in the current climate is highly competitive and, therefore, challenging. For instance, new product presentations are prevalent while joint collaborations by operators were formed in order to develop new sales channels. Even substantial investment groups have joined the restaurant business sector, including groups who love cooking and, as well as start-up of various platforms related to the restaurant business. Response to specific consumer groups are the new generation, the health-conscious and vegetarians, in addition to the increasing senior citizen consumers in Thailand. These are challenges that face restaurant operators today.

The trend of ordering food online is also one of the more popular channels in the past year. With the important supporting factors coming from the consumers' access to technology and use of mobile phone devices more widely, as well as the increased competition in developing food delivery applications, this reflects the consumer behavior requiring convenience. Also, the modern consumer behavior has changed. They are looking for restaurants that are not just for eating. The consumer desires the restaurant to help create a good experience for them as well. Therefore, in addition to the food flavor that is the first priority, the atmosphere and memorable experience are important selling points for competition in the restaurant business in today's climate. Moreover, the food experience trend has led to the popularity of frequenting local restaurants which are famous for particular menus, along with various street food, which is likely to increase in popularity with tourists.

BUSINESS AND COMPETITION
SITUATION

Restaurant Business Trends and Industry in 2020

The Kasikorn Thai Research Center anticipates that the restaurant business in 2020 will have a total value of 437,000 - 441,000 Million Baht, an increase of 1.4-2.4% from the year 2019. The major supporting factor derives from the demographic structure change with households becoming smaller, therefore, requiring more comfort and ease. Moreover, due to the expansion of the city (urbanization) with the development of new shopping centers, consumers are changing their behavior to eat out more often or buy ready-made foods to eat at home. In addition, the growth of the food delivery business will be another considerable factor driving the restaurant business growth, with new forms of services and sales channels available to offer customers with an even greater level of convenience. In addition to supporting factors from domestic consumers, the increase of foreign tourists in the past has helped to drive restaurant sales to grow substantially, even during the economic downturn. This reflects on future opportunities for the restaurant business to flourish once again, particularly in major tourist spots.

However, with the increasing number of restaurant operators and the intensifying competition, branch sales and the rate of return in the restaurant business may be affected. The development of efficiency, product innovation and the use of technology are key factors in the increased capability of competition among entrepreneurs today.

PERFORMANCE HIGHLIGHTS



The Company achieved Total FY/2019 Food Business Revenues of 12,294.5 Million Baht – an increase of 290.6 Million Baht(or +2.4%) compared to the year 2018. This increase in total revenues for the year 2019 resulted mainly from the ongoing expansion of new QSR outlets; whereby, there was a total net increase of 108 new QSR outlets for the Food Business. While Same-Store-Sales (SSS) growth decreased by 5.1% YoY (FY/2018: +0.1%), which is in line with the trend of the Consumers' Confidence Index that continued to decrease since March 2019 onwards. The decrease in SSS came mainly from these brands: KFC, Mister Donut, Auntie Anne's, Yoshinoya and Chabuton; while Ootoya, The Terrace, and Katsuya achieved ongoing positive SSS growth. This year, the Company launched 3 new QSR brand concepts, namely: Aroi Dee – focusing on a quality one-plate meal fast food concept; Suki House; and a soft serve ice-cream concept under the brand Soft Air; whereby Aroi Dee has plans for the ongoing expansion of its outlets network.

The Company achieved Food Business Gross Profit of 6,250.5 Million Baht - an increase of 72.2 Million Baht (or +1.2%) YoY. This increase in the Gross Profit at a lower rate than the increase in Total Food Business Revenues was partly due to the decrease in the Gross Profit Margin by 0.6% that resulted from undertaking various sales promotion campaigns to drive both dine-in and delivery sales. EBITDA and Net Profit decreased from the previous year owing to the negative SSS growth, together with

the increased Gross Profit Margin that was not sufficient to compensate for expenses - especially fixed costs such as: increasing payroll costs, and increased depreciation and amortization costs resulting from the ongoing expansion of new QSR outlets.

Based on the current sales revenues trends, the Company still sees the importance of continued and more effective costs management measures, as well as has undertaken such measures on a continuing basis - especially with regards to payroll costs and electricity expenses, so as to sustain the achievement of Net Profits at the maximum possible level.

CENTRAL RESTAURANTS GROUP FAMILY

Today, we have 16 brands under the Central Restaurants Group Co.,Ltd.



MISTER DONUT

Mister Donut is dedicated to the continuous creation of new products under efficient marketing communications, constantly reinforcing the strength of the brand. Strategic advertising plans are continuously mapped to reach consumers effectively, and constant branch expansion is undertaken across the country to gain the greatest possible access to consumers. All these efforts have resulted in Mister Donut's popularity being ranked by Marketeer Research, holding first place in the donut category in Thailand for the year 2018-2019. On top of this, the Top Influential Brands 2019 (Preferred Brand by Consumers) from Neo Target and Influential Brands was also awarded. Mister Donut was able to maintain the highest market share over the past 40 years by more than 50% as a result of in-depth consumer research and analysis. To meet the precise needs of consumers, Mister Donut is able to offer freshly-made delicious doughnuts every day from kitchen branches scattered throughout the country.

Throughout the operation period, the one thing that Mr. Donut always cares about is "non-stop development" (Innovative Donut), which emphasizes value. By being able to develop new products that please the consumer continuously into the market, such as the "Hot Donut" campaign to reinforce the freshness by Mr. Donut. There are more than 200 kitchen branches across the country, making the doughnuts fresh, delicious and ready to serve. Then there is the "Mr. Donut Ovaltine Volcano", a collaborative venture with Ovaltine, utilizing their signature Ovaltine Volcano brand in inventing a new menu item in the form of an innovative doughnut. Offering an additional experience, customers were able to sprinkle Ovaltine powder on their doughnuts. Another creation is the stuffed egg doughnuts, with options of 6 styles of cute egg shaped doughnut shells with 6 flavor fillings - salted egg custard, creamy cold milk, creamy foi thong, creamy Thai tea, salted egg taro and chocolate hazelnut. Mister Donut continues to produce healthy donuts that have received excellent feedback from customers. Currently in the 3rd year with the Power Ring Donut, it comes with a new formula with 3 times the protein

consisting of flour, soy protein flour, wheat bran, sesame seeds, sesame flax, mixed with cereal and quinoa. These come with 25% less sweet toppings (compared to normal toppings) but are still delicious, soft but gummy in the Pon De Ring style. The year ended with the Spicy Donut which emphasized value for customers as 40% more filling in the shell than usual was added. The product comes with 3 new flavors, including custard, cookies and cream, and chocolate brownies. In addition to doughnuts, Mister Donut has introduced new beverages to meet the trending needs of customers, such as pearl milk tea with brown sugar and special syrup from Taiwan adding a soft, sweet, fragrant soft texture like no other.

During 2019, 13 more branches opened nationwide to reach more consumers while updating existing stores for a more modern look. Currently, there are a total of 370 Mister Donut stores covering over 75 provinces nationwide. In advertising, focus was still on marketing above the line and below the line. By 2019, however, concentration was also on Digital Media to reach consumers directly through digital communication, whether they be news or promotions, and always ready to reach consumers quickly and continuously in the world of Social Network. In addition, Mr. Donut also focused on website development. www.misterdonut.co.th including social media such as Facebook (Mister Donut Thailand), Line Official Account, Twitter or Instagram on a continual basis in order to win the number one position in the minds of consumers and gain loyalty to the brand (Brand Loyalty). Also, in expanding the customer base, Mr. Donut has organized promotions with various partners which reinforces the brand awareness of consumers to be stronger.



KFC

KFC, the largest QSR restaurant brands in Thailand with global popularity was founded by Colonel Harland Sanders in 1952, has maintained a firm commitment to offering a delicious fried chicken menu with a unique identity and superior quality to customers who enjoy fried chicken. In Thailand, the first KFC store was established in 1985 at Central Ladprao Department Store. Currently, there are 793 KFC stores nationwide (as of December 2019) where its brand and franchises are under the management of Yum! Restaurants International (Thailand) Co., Ltd. KFC stores are managed by 3 franchisees of which Central Restaurants Group Co., Ltd., was the first partner to import the KFC brand. KFC stores under the management and operation of Central Restaurants Group Co., Ltd. cover all regions of the country. Currently, there are more than 279 branches in Thailand (* data as of December 2019).

The KFC brand in Thailand has long been in the first rank of QSR, and has been growing continuously. CRG has accelerated KFC's growth by opening 21 new stores, of which 15 are general stores while 4 are drive-thru stores, as well as the experimental opening 2 smaller stores in supplying the demand to high pedestrian traffic areas, namely at U-Tapao Airport and G Tower Building.

In addition to service channels via 1150 and www.kfc.co.th, to cope with the changing consumer behavior who require convenience and fast home delivery service, KFC has partnered with GrabFood and Foodpanda to present consumers with service that is faster while reaching more consumers in a wider range. As for the in-store experience, CRG began to experiment with 30 cashless food payment services towards the end of 2019 and plans to expand this service nationwide by 2020. During 2019, the KFC brand was also recognized with many awards including :

- No.1 Brand Thailand 2018-2019 Award - the most popular brand in Thailand 5 years in a row, Fast Food category
- Best Brand Performances on Social Media Award - Best Brand



Performance on Social Media Chain Restaurant at the Thailand Zocial Awards 2019, for the third consecutive year

- "2019 AMCHAM CSR Excellence Recognition Award" in the Gold category from The American Chamber of Commerce in Thailand (AMCHAM) - KFC Thailand was awarded the same for the past 5 consecutive years as a brand with the most outstanding social responsibility and continuous promotion of activities for Thai society by focusing on the provision of quality food through the creation of a standard kitchen for schools and foundations for the disadvantaged throughout the country in order for the Thai people have access to clean, sustainable quality food.

The above awards are a testament to the potential and success of KFC in brand building through outstanding marketing and communication strategies, as well as maintaining the quality, flavor and food standards that create impressive and memorial experiences for consumers nation-wide. (Follow www.kfcthailand.com for more information on KFC Thailand)

AUNTIE ANNE'S

The leader of Soft Pretzel in Thailand has maintained a strong brand identity under the concept of "Freshly Baked". Auntie Anne's has a total of 182 branches, with further expansion in large cities, other provinces, petrol stations and hospital groups.

Throughout the past 21 years in Thailand, Auntie Anne's key formula is to continually create new menus every 2 months, including savory and sweet pretzel flavors and drink menu. Therefore, Auntie Anne's has introduced no less than 8-15 new menus in a year. After 21 years, Auntie Anne's has a menu of not less than 100 developed menus. In addition, Auntie Anne's also has a new product line in the Grab and Go Product category, which is new product group under the concept: "To Go Together" with the tagline "fun to carry, most convenient, delicious anywhere, never boring". This responds to current customer lifestyle, allowing for a wider variety of products sales via more channels. In the past year, achievement in sales and



accepted work both in Thailand and internationally were recognized, most recently in 2018, the 2 awards from Focus Brand International are as follows :

1. Best Product Innovation Baked Category Award
2. Most Self of the Year Award

In 2019, Auntie Anne's was named best brand, winning the top Gen Y consumers in 2019 with Influential Brands Top Brand Award 2019 in the Food Kiosk category from Influential Brands (Singapore), a world-class organization.

In addition, new sales channels have been expanded such as delivery of both Own Platform Food Hunt and Food Aggregator, with a focus on major partners like Grab Food, as well as effective publicity through various approaches on a continuous basis such as arranging promotions with partners to expand the customer base, organizing social activities with members to build brand relationships, as well as catering. The Auntie Anne's brand is ranked 6th in the Food Tracker in Brand Equity in the appetizer category.

OOTOYA

Ootoya is a premium Japanese food brand under the concept of Japanese Home Cooking Style Restaurant with the operating philosophy that we are committed to promoting good mental and physical health for everyone through good food and service, to best benefit of our customers in particular and for the development of humanity as a whole. Ootoya has more than 350 branches in Japan and more than 90 overseas branches such as Thailand, Singapore, Hong Kong, Indonesia, Taiwan, China and the USA. In 2019, Ootoya developed the Grand Menu and Seasonal Menu by adding new menus to increase variety while maintaining Japanese standards and flavors to reinforce the authentic Japanese home cooking restaurant by communicating to the consumer groups of the Ootoya brand. This was accomplished through various public relations channels such as

billboards, digital advertising signs and social media. Collaborative activities with partners such major campaigns with the Banking Groups and The One Group, etc. were undertaken for the expansion of a more comprehensive customer base. There are also plans to expand restaurants in Bangkok and large cities to reach more customers. Currently, there are a total of 50 Ootoya stores in Thailand with plans to expand the delivery service and catering business in Bangkok and other provinces in major cities.

The Ootoya brand has been recognized as the 6th in the Food Tracker in Brand Equity ranking in the Japanese food category. In addition, there is a 7% growth in sales compared to last year and 1% growth in sales per store.

PEPPER LUNCH

In 2019, Pepper Lunch, the Japanese-style hot-plated steak restaurant in 2019, has a total of 47 branches. The delivery via Aggregator was highly competitive. Pepper Lunch has released a new menu to expand the target audience who enjoy ordering delivery service, both breakfast and select menu items with special food delivery prices. In addition, new menu items are developed every 2 months to allow customers to taste new flavors from Pepper Lunch such as Korean Chicken, Sizzling Curry, Tom Yum Salted Egg, Italian Arrabbiata, Jaew steak, Half-Half with Cheeses and Mexican. These were well received very well from both new and old target groups.

Regarding product quality, Pepper Lunch still emphasizes on the quality of the main menu which is Pepper Beef Rice, utilizing high quality maize-fed beef 100% imported from the USA, resulting in a delicious aromatic Pepper Rice. In the Premium Steak category, the Australian imported beef continues to impress customers who are big fans of beef in a consistent manner.

Pepper Lunch continues to reinforce its brand that delivers quality food at a value price, and constantly responds to the needs of teenagers with the introduction of "Student Meal" set, as well as the young adult workers with special "Lunch Sets". Many promotional menus set in 2020

are Japanese Curry Hot Plate dishes with 4 choices : U.S. Beef and Egg, Hamburg Steak and Egg, Chicken and Egg and Pork and Egg Curry Rice.

Creation of the brand image and publicity has continuously been carried out through the joint promotional campaigns with various business partners, activities with customers via Facebook, public relations through online media continuously throughout the year. The Pepper Lunch brand placed 10th in the Food Tracker in Brand Equity ranking in the main food category.

IN ADDITION, IN THE YEAR 2019, CRG HAS LAUNCHED 4 NEW BRANDS TO INCREASE THE VARIETY FOR CUSTOMERS WHICH ARE :

"Aroi Dee" brand, under the concept of "The Best Thai Street Food", the source of delicious street food. The brand offer a wide array of menus at value prices, providing convenience and timely meals.

"Suki House" brand is a homemade-style Sukiyaki restaurant that focuses on value for money which also offers a different Sukiyaki menu by focusing on freshness, cleanliness, good quality, wholesome flavor "just like home".

"Soft Air" brand, with the store layout designed to match the concept of the brand "Fly You to the Soft Cream World", experience the soft cream pleasures from around the world.

"Kowlune" brand, a Chinese restaurant from the land of dragons, luxurious Cantonese-style restaurant, developed from Dynasty Chinese Restaurant at Centara Grand Hotel, famed for its legendary flavors from meticulously selected raw materials, as well as every attention to detail and cooking process, presented at affordable prices.

"Salad Factory" It is a healthy salad restaurant available since 2013 with the determined concept to be a good restaurant serving the deliciousness for good health to enable people to consume vegetables from the source of good food with attentiveness from selecting raw materials

from organic farms owned by farmers who grow and sell by themselves, without middlemen. All salad menus shall be served with more than 20 kinds of homemade salad dressings or sauces cooked by restaurant for customer's selection. All of premium raw materials include olive oil, salad oil, cheese and all ingredients, and the customers will be served with more than 200 menus that are not only vegetable salad but also other non-vegetable menus, such as rice dishes, steak, spaghetti, etc., making Factory Salad as a salad restaurant accessible by all generations, all genders and all ages, available for all family members, with quality and affordable price. The Brand's key customers are health lovers who seek and select good things for themselves, mainly including customers who come with families or friends under a wide range of age between 25 years old and up to 70 - 80 years old. With the collaboration with CRG, Factory Salad is provided of support to gain competitiveness in many areas of the market and ensured to definitely grow by leaps and bounds, and finally become the top in consumer's mind.

Activities of CRG's other brands include opening new branches, renovating shops to update the look and changing the location of branches to more desirable locations in order to generate more revenue, coupled with marketing and advertising activities through various media channels, particularly digital and social media in many forms. With the changing lifestyle of today, service through the delivery channel received extremely positive feedback from customers. At the same time, various brands have developed the products and services to suit the lifestyle of today's consumers, as well as developing new menus continually, including Japanese food brands such as Chabuton Ramen, Yoshinoya, Katsuya, Tenya, Super Premium Ice Cream, Cold Stone Cream and Terrace Thai food brand, totaling 1,064 CRG stores operating in 2019, with 108 new stores opened.

BUSINESS DEVELOPMENT



Competitive Strategy

• Location

As widely known, over the past few years, retail businesses around the world have been one of the businesses that have been heavily affected by digital disruption and various challenges, especially changes in consumer behaviour from face-to-face interaction to online shopping. The intense competition and changing customer behaviour are key factors that have urged retailers, both large and small, to adapt by improving business models and investments to prepare for the transition of businesses into the digital age to ensure long-term growth and become a leader in the food industry.

For Thai retail business, constructions of large department stores began to slow down due to the law on town planning, land scarcity, and changes in the way consumers purchase products from department stores to online channels which better respond to consumer behaviour in this era with ease and convenience.

Nonetheless, department stores in Thailand continue to expand in Bangkok and other provinces, but investments are mostly in the form of mixed-use developments or small retail-tainments, addition of edu-zone areas for students or co-working space zone for the working age, and shop re-zoning to respond to customer needs according to the department store's strategic plan.

In 2019, Central Restaurants Group Company Limited invested in a variety of restaurants under a different direction compared to the previous years both in Bangkok and other provinces as follows:

1. The restaurant size will be smaller and vary according to the area to ensure coverage and accessibility by consumers. New stores such as

café, pop up store, food truck, drive-thru, or small city stores for digital lifestyle are still included in the company's expansion plan to respond to the working style, business meetings, or meetings with friends of GEN-Z customers who look for speed and novelty.

2. The company has developed new restaurant brands owned by the company (own brands) with a focus on branch expansion in non-mall areas rather than large department stores, along the sky train and subway lines, in office buildings, gas stations, hospitals, and exhibition centres which offer affordable rents. This has been the main goal of the company's branch expansion over the past years.

3. The company has jointly operated business with other restaurants in which the company had not already provided service. One of the restaurants is Salad Factory.

4. The company has expanded restaurant branches outside large department stores in the form of stand-alone and new business alliances with gas stations and leading hospitals.

5. The company has collaborated with Thailand's major delivery providers such as Grab and Food Panda which made more than 1.3 million deliveries in 2019.

6. The company has expanded branches of its Japanese restaurants to provincial areas with a focus on expanding the business to major cities, cities with the country's transport expansion projects, and special economic zones in which Grab and other aggregators have begun to provide services.

Even though in 2019, most of the restaurants in department stores

were affected by digital disruption and the growth of street food via online channels which have decreased the market share of brick-and-mortar or offline storefronts, the company opened 108 new branches of restaurants, resulting in, as of 31 December 2019, a total of 1,064 branches nationwide which represent a growth of 11 percent compared to the figure in 2018.

For branch expansion in 2020 and in the future, the company strongly believes that Thai retail business still has a long-term potential despite short-term challenges contrary to retail business in many countries around the world as a result of the growth of the tourism industry. Public investments that expand urban areas to the suburbs have affected domestic and foreign investors' confidence in planning investment expansion to serve customers in Bangkok and other provincial areas. The company plans to find new locations for its new restaurant businesses as follows:

1. In terms of offline or physical branch expansion, the company continues to expand its branches in the main department stores with mix-use and non-mall developments.

2. The company plans to begin negotiations and collaborate with many leading department stores to adapt to the changing situation not only for business benefits but also for better response to consumer needs.

3. The company has been looking for new markets overseas, both in Asia and Europe, with plans to build business alliances for the expansion of restaurant business abroad.

4. The company has adapted for greater competitiveness by improving both its offline and online retail channels. The company

recognises the importance of omni channel, which helps seamlessly connect offline and online services for customers with greater accessibility that aims for impression, new experience, and convenience.

5. Utilised new technologies for the selection of restaurant location including

a. Big Data for in-depth analysis to study target customers' behaviour which will help the company find a new location that meets customer needs, enhances its competitiveness, and maintains its profitability in the long run.

b. Other technologies such as POS and QR ordering systems which are installed in the company's restaurant branches with a confidence that the technologies will create new experiences, raise the capacity of the company's restaurant business, and efficiently improve its services for customers in the future.

6. Partnering with aggregators to create dark kitchens or cloud kitchens to improve both its offline and online channels.

The company has carefully expanded its branches by choosing locations that are suitable for each type of business and stand out from competing stores. The company also uses technology and innovation and continues to expand its branches to ensure that there are no limit to customer responsiveness, that the company's restaurant business will be successful and profitable, that its asset management can generate returns as quickly and efficiently as possible, and that its new restaurant business will receive great response from consumers same as or better than the previous year.

CORPORATE SOCIAL RESPONSIBILITY
& SUSTAINABLE **DEVELOPMENT**



SUSTAINABILITY REPORT

Central Plaza Hotel Public Company Limited or CENTEL operates hotel and food businesses under the framework for good corporate governance and effective risk management, adheres to the principles of sustainability, offers a superior service experience with Thai hospitality, and delivers valuable meals to customers. The company recognises all stakeholders throughout the supply chain and strives to become a good citizen of the society and create a balance for sustainability in the economy, society, and environment to enhance competitiveness and value of the organisation in the long term.

We are committed to developing sustainability strategies to support sustainable economic growth and social development wherever we operate based on the sustainable development policy. To create a sustainable balance in the economic dimension, the company is committed to improving the quality of its service and products to meet the needs of all customer groups In terms of society, it aims to bring about security to the society and community by developing the skills and potential of its employees, creating jobs and professions, and distributing income to ensure a sustainable society. For the environmental dimension, it has been committed to conducting businesses that are environmentally friendly at all stages of its operations and taking into account both short- and long-term environmental impacts throughout the supply chain.

Vision and Mission

VISION AND MISSION	
HOTEL BUSINESS	FOOD BUSINESS
Vision	Vision
To be the leading global hospitality group of Thai origin	To be the Number one restaurant business in Thailand in the hearts of our consumers, leading with innovations and delivering value-for-money for all occasions
Mission	Mission
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.	To deliver delicious and affordable meals to all our customers and always providing our service warmly from our hearts. We strive to create product innovations and store experiences that respond to our customer's ever-evolving lifestyles in order to provide a truly memorable dining experience. All this in support of, and serving as CRG's long-term commitment to the community around us and our unwavering commitment to sustainable growth.

Hotel Business Strategy

Develop a business growth strategy for Centara hotels and resorts to step up its role in the region under the business framework that involves a five-year operational plan (2019-2023), doubling the expansion of domestic and overseas portfolios, seeking new business opportunities, and improving key infrastructure.

Food Business sStrategy

The Central Restaurants Group focuses on revenue growth and operating results by developing new food menus, introducing new restaurant brands to provide a wider variety of choices to consumers, creating food innovation to reduce costs, expanding branches, increasing modern distribution channels continuously with new business models that respond to the lifestyles of the new generations, improving restaurant experience through digital technology and excellent food delivery services. Furthermore, the company places great emphasis on expanding branches overseas, particularly in Vietnam and ASEAN countries, which will bring about overall strong growth for the company.



Corporate Values

The role of promoting sustainability in the organisation is embedded in the company's operations under the "I • CARE" concept because we care about conducting business in harmony with employees, customers, business partners, society, and community. The concept is instilled in the company's business practices to operate the responsible hotel and food businesses and to use as a framework for moving the organisation towards sustainability.

Innovation – Creating and Implementing New Ideas - CENTEL is ready for all opportunities and challenges for better quality and efficient work processes. The company embraces change, overcomes all limitations, explores new knowledge, and has the courage to initiate and further develop new ideas into action.

Customer – Customer Care - CENTEL is committed to developing service excellence by focusing on customers and readiness to serve customers at all time, to know the customers and products beyond expectations, to accept and be ready to fix the mistakes, and to keep in mind customers' viewpoints, even during difficult times.

Alliance – Advancing Both Business Groups - CENTEL encourages teamwork to advance the entire business group by focusing on working towards the same goal, creating choices that everyone is satisfied with, listening to and respecting different perspectives, uniting business groups, and building relationships to collectively enhance knowledge and experience.

Relationship – Bond and Reliance - CENTEL recognises the importance of its bond with and reliance on employees, business partners, and society for sustainable development and focuses on keeping promises to ensure trust and confidence, valuing and respecting people's diversity, flexible and fun work atmosphere to create a good work environment that is attentive, sincere, and caring and promotes a sense of social responsibility.

Ethic – Aiming for Ethics - CENTEL ensures that employees are proud of the organisation, that customers trust the products and services and will be happy to purchase them again in the future, that partners believe in doing and growing business together on a sustainable basis, and that the society accepts and supports the organisation in conducting its business, enabling the organisation to achieve sustainable growth.

Sustainability Management

CENTEL VALUE CHAIN



Sustainability Structure

CENTEL has established a sustainable operational structure with the Chief Executive Officer and the President as the leaders to drive integrated sustainable operations. The Working Group for Sustainable Development coordinates with various departments of the hotel and food business group to report operating results in the economic, social, and environmental dimensions to the Risk and Governance Committee which is responsible for supporting and overseeing sustainable operations. Meeting is held every three months to review and monitor the company's operations to achieve the goals in accordance with the company's business practices and sustainability policies which will lead to the achievement of sustainable development in economic, social, and environmental dimensions following the framework of the Sustainable Development Goals (SDGs) of the United Nations.



Awareness on Sustainable Operations

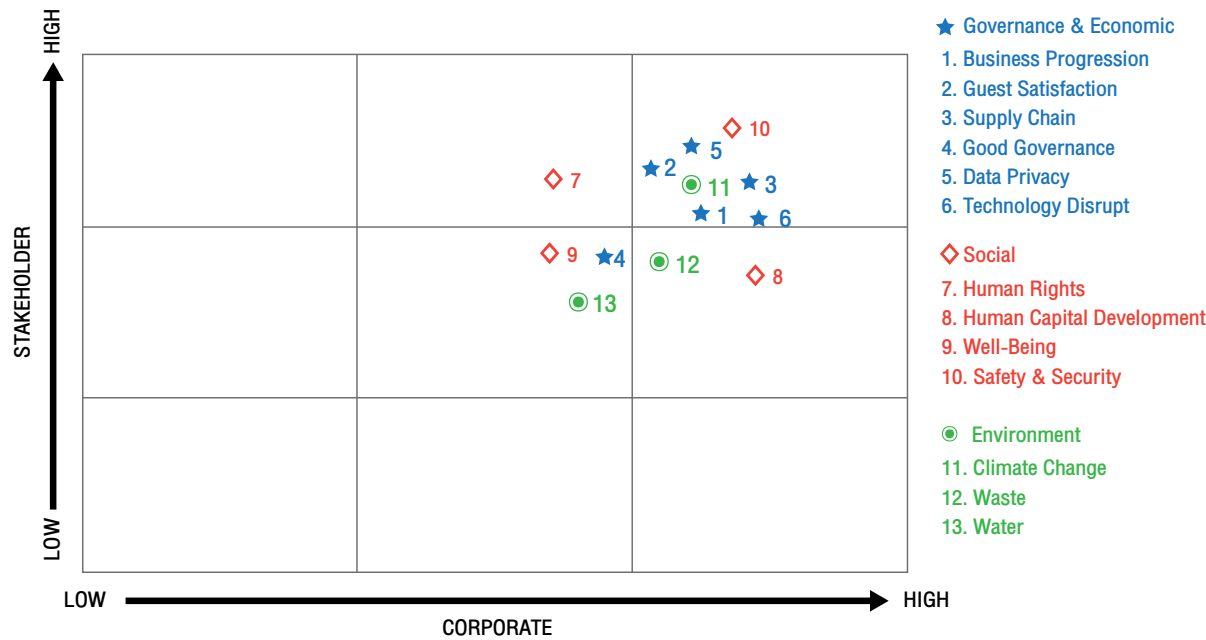
In 2019, the company focused on creating an understanding of sustainability among employees by providing trainings on sustainability to employees in the country and abroad along with creating a board showing operational information related to sustainability of each department to inform employees of the overall operations and a video called “Sustainability Starts with You” to communicate to employees, customers, business partners, and the general public on sustainable tourism to reduce environmental impact and make everyone realise that sustainability starts with us. Moreover, the company also provided a special training on organisational sustainability to high-level executives in the hotel and food business group by inviting sustainability experts from the Stock Exchange of Thailand to promote understanding of sustainability at the organisational level and ensure that management is aware of the issue and can apply the principle to management for organisational sustainability.

Materiality Assessment of Sustainability Issues

1. The identification of sustainability issues in 2019 has taken important risk factors in business operations of the hotel and food business and important issues from stakeholder groups from the participation process of all groups to compare with the sustainability issues that the hotel and food businesses around the world realise as important. After that, all the issues that have been prioritised are presented to management of each business group.
2. Prioritisation Analysing and considering information regarding sustainability issues that are important to all stakeholders in collaboration with 13 issues and dividing the issues into three main groups including economic, social, and environmental dimensions and prioritised two aspects which are issues that are important to the organisation's operations and issues that are important to stakeholders.
3. Validation Examined significant issues and presented to the Risk and Monitoring Committee for approval as well as presented the operational plan which has been approved by the business group's executives.

Prioritisation of Material Aspects

Sustainable Materiality Matrix

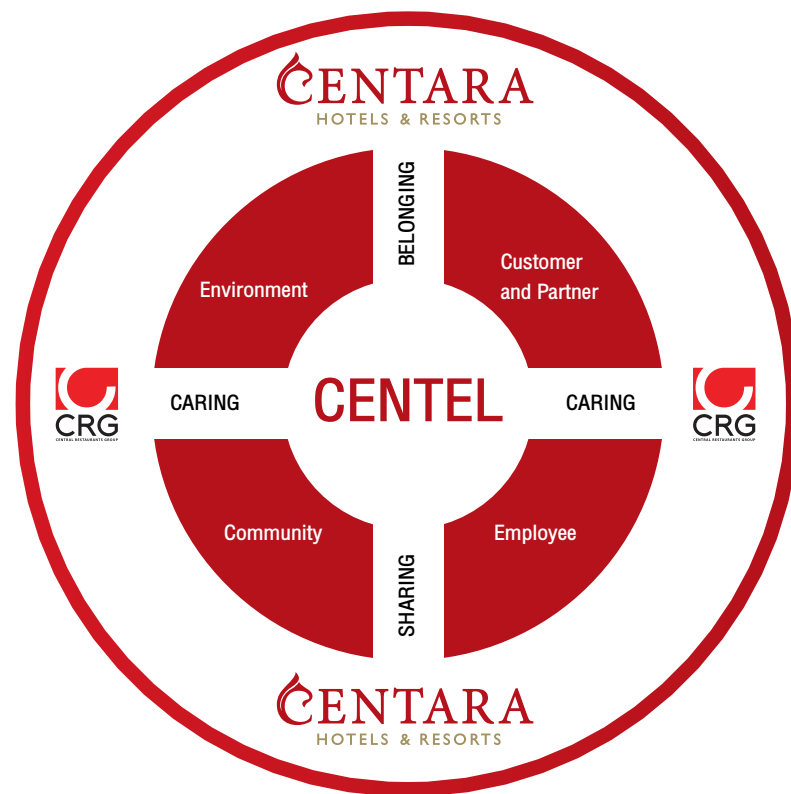




Material Issues









Material Issues	Boundary of the effect (Inside/Outside the Organisation)	Topics Presented in the Report
1. Business Progression	All Departments / Customers, Business Partners, Shareholders	Business Development
2. Customer Satisfaction	All Departments / Customers	Customer Relationship Management
3. Supply Chain Management	All Departments / Business Partners, Communities	Supply chain management
4. Corporate Governance	All Departments / Customers, Business Partners, Shareholders	Conducting Business based on Good Governance Principles
5. Data Privacy	All Departments / Customers	Personal Data Protection and Privacy
6. Technology Disruption	All Departments / Customers	Group Marketing
7. Human Rights	All Departments / Business Partners	Human Rights Operation
8. Human Capital Development	All Departments / Customers	Human Resource Development
9. Well-Being	All Departments / Communities	<div>• Employee Well-Being and Employee Engagement</div> <div>• Social Development and Community Support</div>
10. Safety & Security	All Departments / Customers, Communities	Safety and occupational health
11. Climate Change Management	All Departments / Customers, Communities	Environmental Dimension
12. Waste Management	All Departments / Customers, Communities	Environmental Dimension
13. Water Management	All Departments / Customers, Communities	Environmental Dimension

Sustainability Goals and Performance

The company is committed to sustainable development throughout its supply chain right from the first step by creating stability for the business, meeting the needs of customers and business partners with excellent products and services to deliver impressive experiences. At the same time, it is committed to developing and creating skilled and competent personnel to build the foundation for business growth, supporting communities and society for better quality of life, and moving towards participation in environmental conservation which must be passed on to the next generations by conducting business in accordance with the Sustainable Development Goals (SDGs) of the United Nations



Project / Method of operation	Operating results	UN SDGs
<ul style="list-style-type: none"> 4Cs Project: Centara, Career, Creative for Children) CRG Bilateral Education Project Elder Workers Employment and People with Disabilities Employment 	<ul style="list-style-type: none"> Developed 1,073 quality labour for the tourism and service industry Offered jobs to 434 disadvantaged people Improved the quality of life of the families of the disadvantaged Reduced the unemployment rate 	 Goal 4.3 / Indicator 4.3.1
Human rights and equality in employment and fair compensation and Non-discrimination against age, gender, nationality, language, and disability	<ul style="list-style-type: none"> 61% of employees are female 417 female executives at the manager level 296 disabled employees 142 elder employees 39 nationalities 	 Goal 5.1 / Indicator 5.1.1, Goal 5.5 / Indicator 5.5.2

Project / Method of operation	Operating results	UN SDGs
Establish policies to reduce greenhouse gas emissions in business processes and seek ways to improve operational methods for greater efficiency	<ul style="list-style-type: none"> 79.44 KT Co₂-e greenhouse gas emission in business processes Improved operations that reduced greenhouse gas emissions by 451.22 KT Co₂-e in total. 	  Goal 9.4 / Indicator 9.4.1, Goal 13.3 / Indicator 13.3.1
<ul style="list-style-type: none"> Clearly specify the work processes of waste management Educate staff on how to properly dispose waste Adopt technology and innovation 	<ul style="list-style-type: none"> Created the POP-Plastic only Please project to encourage people to plastic waste segregation for recycling in 12 hotels with 400 kilograms of plastic 7,831.91 cubic metres of landfill waste 53.60% of recyclable, reused, and degradable waste Installed the COWTECH to convert organic waste into biogas (LPG) in the amount of 1,492.7 kilograms 	  Goal 11.6 / Indicator 11.6.1, Goal 12.5 / Indicator 12.5.1
Food donation programme for underprivileged people through Scholars of Sustenance Foundation (SOS)	<ul style="list-style-type: none"> Reduced the amount of food waste 59,830.87 kg 213,551.64 meals of quality food provided to the underprivileged 	 Goal 12.3 / Indicator 12.3.1
Beach Cleaning projects of all hotels near the beach	Undertaken on a monthly basis to reduce the amount of plastic waste brought to the sea	 Goal 14.1 / Indicator 14.1.1
Sustainable Forest Planting Project by providing an opportunity for employees and business partners to create green spaces by planting large trees, restoring degraded forest, and increasing area of forestation and reforestation	<ul style="list-style-type: none"> Joined the Central Group as part of the green space working group to plant 1,200 trees in Bang Krachao area Joining the Bangkok Metropolitan Administration to plant 120 trees in Bangkok 	 Goal 15.2 / Indicator 15.2.1
<ul style="list-style-type: none"> To be a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) Encourage business partners to participate in the project and provided trainings for the company's employees 	<ul style="list-style-type: none"> Renewed the membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 5 August 2019. Communicated the bribery policy to employees Notified and encouraged business partners to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) 	 Goal 16.5 / Indicator 16.5.1

Stakeholder Engagement

CENTEL has identified various groups of stakeholders and offered communication channels to listen to their opinions and expectations which will lead to the development of processes to respond to stakeholders' opinions and expectations

Stakeholder group	Engagement and Communication Channels	Interests and Expectations	Response
Customers	<ul style="list-style-type: none"> Survey of customer satisfaction after using the service Interaction with customers while providing service Complaints through various channels Online communication channels 	<ul style="list-style-type: none"> Service quality Variety of services to meet customer needs Up-to-date, complete, and accurate information 	<ul style="list-style-type: none"> Offer impressive Unique Thai services Deliver a variety of products to provide services that meet customer needs. Develop technology to provide customers with efficient services and quick and easy access to services Prioritise customers' safety and privacy Present accurate information and news about services and products Create a strict plan to support and manage customers' information security and privacy
Business partners	<ul style="list-style-type: none"> Annual business partners meeting Channels for receiving complaints Customer needs surveys 	<ul style="list-style-type: none"> Sustainable joint business operations Jointly develop innovations for joint business operations 	<ul style="list-style-type: none"> Organise a one-item-one-price ordering system Transparent, fair, and verifiable procurement process Create manuals and guidelines for business partners in accordance with the ESG Sustainability Principles
Employees	<ul style="list-style-type: none"> Orientation for new employees Town halls to enable executives to keep employees closely informed Annual employee satisfaction survey Establishment of the employee welfare committee Relationship building activities to promote employee engagement 	<ul style="list-style-type: none"> Career advancement Life balance Appropriate remuneration and welfare Opportunity for comments 	<ul style="list-style-type: none"> Develop plans to enhance the skills, knowledge, and competency of staff Review the compensation and welfare of employees to ensure appropriateness and fairness Care about employees like family members to create loyalty to the organisation through various activities Improve the work environment according to the occupational health criteria Analyse the data from the employee satisfaction survey to create a plan to meet employee needs.

Stakeholder group	Engagement and Communication Channels	Interests and Expectations	Response
Communities and society	<ul style="list-style-type: none"> Community relations activities through volunteering activities Listen to the opinions of the communities and society through various channels 	<ul style="list-style-type: none"> Create value for the community and society Enhance the communities for sustainable growth Care about and preserve the environment around the communities Support activities for the communities 	<ul style="list-style-type: none"> Promote, develop, and build good relationships with the communities and society to be able to live together in a sustainable way Share knowledge to enable the communities to grow together with the company's business Generate income for the communities, both directly and indirectly, for the growth of the community's economy
Environment	<ul style="list-style-type: none"> Survey and evaluate the direct and indirect environmental impacts from business operations 	<ul style="list-style-type: none"> Reduce both short-term and long-term environment impacts Care about and preserve the environment around the communities 	<ul style="list-style-type: none"> Supervise and manage natural resource usage to maximise benefits Continue to improve business processes to reduce environmental impact Use innovation and technology to help in the operation processes Create and promote environmental knowledge among employees and the communities
Shareholders	<ul style="list-style-type: none"> Investor relations activities Annual General Meeting Company website, online media, and publications Channels for receiving notifications of investor relations information 	<ul style="list-style-type: none"> Cost-effective business results with steady and sustainable growth Readiness to deal with crises affecting the business 	<ul style="list-style-type: none"> Participate by expressing opinions regarding business operations. Regular activities to meet investors and shareholders Listen to suggestions from shareholders equally Present information on the organisation's operating results with directions and business plans
Overall stakeholders	<ul style="list-style-type: none"> Company website Complaints through various channels 	Conduct business transparently	Oversee business based on good governance in line with the law

Membership of Association

The company has become a member of organisations or agencies which work towards economic and social goals. Moreover, the company's management has joined as a committee of various organisations or agencies as follows:

1. Thai Hotel Association
2. Thai Chamber of Commerce
3. Thai Listed Companies Association
4. Thai-American Chamber of Commerce
5. Thai-English Chamber of Commerce
6. Pacific Asia Travel Association (PATA)

- 7. Thailand Incentive and Convention Association
- 8. The Federation of Tourism Industries of Thailand
- 9. Collective Action Coalition -Thailand’s Private Sector Collective Action Coalition Against Corruption: CAC)
- 10. Sustainability Disclosure Community (SDC) by Thaipat Institute
- 11. Vibhavadi Zero Waste Project By Thailand Responsible Business Network (TRBN)

Economic Dimension

Conducting business based on good governance principles

The company puts a great emphasis on corporate governance to build trust and credibility among its stakeholders. As a result, the company is determined to manage the organisation by adhering to good corporate governance and recognising the importance of good corporate governance. The corporate governance structure consists of a board that oversees and operates with transparency according to the framework for good corporate governance policy. The board is also aware of the management of risks caused by internal and external factors to ensure that the organisation can continue to operate using risk identification and risk management process that covers sustainability issues throughout the supply chain and supports the risk culture so that all employees across the organisation have the knowledge and understanding of risk management. (More details in the Management Structure and Corporate Governance topic)

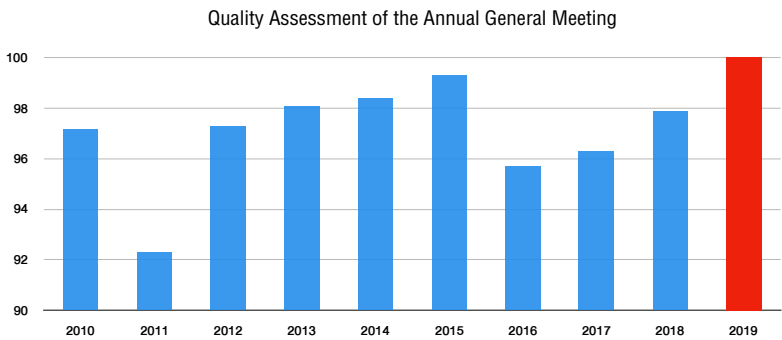
Corporate Governance Report Assessment of Thai Listed Companies

Long-term goal	"Excellent" result on corporate governance assessment every year
2019 goal	"Excellent" corporate governance from external agencies every year
2019 result	"Very good" assessment result from the Corporate Governance Report of Thai Listed Companies 2019 (CGR 2019) by the Thai Institute of Directors (IOD) sponsored by the Stock Exchange of Thailand.



Quality Assessment of Annual General Meeting of Shareholders

Long-term goal	100% assessment result every year
2019 goal	100% result from annual general meeting assessment
2019 result	100% result from 2019 annual general meeting assessment of companies listed on the Stock Exchange of Thailand by the Thai Investment Promotion Association



Business Ethics

At the heart of business operations is adherence to ethics including fairness and morality in conducting business with all stakeholders. The Board of Directors has laid down the principles and guidelines for directors, executives, employees and all stakeholders as follows:

- The company operates with honesty, integrity, and ethics, and develops business for continuous and sustainable growth
- Realise the importance of customer satisfaction and develop services and products that effectively meet the needs of customers at all times
- Treat business partners equally with regard to the company’s best interest and based on fair compensation for both parties to avoid situations that may lead to conflicts of interest
- Treat employees fairly, respect individuality and human dignity, avoid discrimination in terms of opportunities, rewards, promotion, and relocation as well as develop the potential and knowledge of employees
- Conduct business that is beneficial to the economy and society and focus on environmental conservation as well as the local traditions of the locations in which the company operates
- Cooperate with the government to strictly comply with the rules and regulations regarding business operations

Anti-corruption

The company values and adheres to transparent and honest business operations that strictly comply with the law. The company realises that corruption not only affects its operations, reputation, and image, but is also an obstacle to its sustainable growth. As the company conducts business as a part of the society and hopes for Thailand to be free from corruption. The company, therefore, became a member of the Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC) which is a project under the Thai Institute of Directors (IOD), Thai Chamber of Commerce, Foreign Chamber of Commerce, Thai Listed Companies Association, Thai Bankers Association, Federation of Thai Capital Market Organizations, The Federation of Thai Industries, and the Tourism Council of Thailand on 1 September 2011 and passed the evaluation of the Committee of Thailand’s Private Sector Collective Action Coalition Against Corruption to officially become a member of Thailand’s Private Sector Collective Action Coalition Against Corruption on 22 April 2016 and the membership was renewed on 5 August 2019.

The company has established the “Anti-Corruption Measures” as a guideline for all employees to adhere to and to promote the company’s commitment and business guidelines among related stakeholders. The company has published the anti-corruption policy on the company’s website. <http://centel-en.listedcompany.com/cg.html> and sent letters to business partners so that business operations are conducted honestly and transparently under established measures. The company has invited business partners to participate in Thailand’s Private Sector Collective Action Coalition Against Corruption.

The anti-corruption policies and measures are considered part of the disciplinary process. Directors, executives, and employees who fail to comply will be investigated and face disciplinary penalties in accordance with the company’s regulations and relevant laws. At the same time, the company will not lower the position, punish or penalise directors, executives and employees who reject corruption even if that action causes the company to lose business opportunities. The company also carries out various activities as follows:

1. The company has assessed various risks regarding fraudulent conducts and set measures to be enforced with the aim of preventing and stopping fraud which is considered part of good internal control system.
2. The company has established operational guidelines consisting of operational procedures with sufficient details in accordance with the anti-corruption policy and that is able to prevent any fraud in business operations which includes charitable donations, corporate sponsorships, gift giving or receipt, hospitality (recreation), granting of money or benefits, and political support.
3. The company has established an internal control system to ensure that the anti-corruption policy is both efficient and effective, covering documentation for financial transactions, accounting processes, human resource system, and other systems related to the company’s business.
4. The company has provided secure communication channels for whistleblowers, claimants, and collaborators in investigations to ask for confidential advice and submit requests, suggestions, data / reports or any complaints relating to actions that are alleged to be fraud as well as various relevant measures to protect those reporting the fraud, taking into account the safety of the whistleblower, claimant or collaborator in investigations.
5. The company has communicated about the anti-corruption policy internal and external the company to ensure successful implementations of the policy with wide impacts such as by publishing the anti-corruption policy on the company’s website and creating public relations signage in order for directors, executives, and employees to learn about, understand, and follow regularly. Letters are also sent out to all business partners to ensure that each part of the business can be transparently carried out based on the anti-corruption measures that have been enforced.
6. The company has arranged orientations and trainings for employees to promote knowledge and understanding of the anti-corruption policy that have been enforced and has provided examples of several cases for employees.
7. Anti-corruption trainings are organised for executives and staff with the honour of having expert speakers offer knowledge about domestic and international situations as well as ways to create a society that helps strengthen the anti-corruption culture.

Long-term goal	All stakeholders have an understanding of various activities that are not involved in corruption.
2019 goal	Set up an online learning system for anti-corruption for all employees access to information about anti-corruption more conveniently and renew the membership of Thailand’s Private Sector Collective Action Coalition Against Corruption
2019 result	The company organised anti-corruption trainings for all new employees and reviewed the knowledge of anti-corruption for all employees through an online system in the form of a video that employees can easily access with 90 percent of the total employees accessing the system. The company renewed the membership of Thailand’s Private Sector Collective Action Coalition Against Corruption, and in 2019, the No Gift Policy was introduced as part of the anti-corruption policy and the anti-corruption measures of the company.

Reporting and Receiving Complaints

The company has set up the whistle-blowing policy and provided channels for all stakeholders to report clues, complaints, concerns, suspected conducts that violate or do not comply with the law, regulations or ethics, and malpractices and to submit evidence to relevant agencies. There will be an audit committee to investigate the facts and report to high-level management, the board of directors, and related parties, and consider the penalty in case of a violation of the law or the company’s regulations. The company also established measures to protect the rights of the persons who report or submit complaints.

• Office of the Secretary of the Audit Committee

Tel: (02) 769-1234 ext. 6658 Email Address: whistleblower_centel@chr.co.th

Mailing Address: Audit Committee
Central Plaza Hotel Public Company Limited 999/99, Rama 1, Pathumwan, Pathumwan district, Bangkok 10330

If you have any question regarding the policies and measures to fight corruption, please contact for answers and suggestions at:

• Office of the Secretary of the Company

Tel: (02) 769-1234 ext. 6131 Email Address: co.secretary_centel@chr.co.th

Mailing Address: Office of the Secretary of the Company
Central Plaza Hotel Public Company Limited 999/99, Rama 1, Pathumwan, Pathumwan district, Bangkok 10330

Risk Management and Risk Management Structure

The company focuses on risk management to ensure steady business operations and sustainable growth, and risk management is a tool to help executives identify and manage risks more efficiently and effectively. As a result, the board of directors has established the risk management policy in accordance with the principles of good corporate governance which allows the company to separate the risk management function from departments that cause the risk. To ensure efficient and effective risk management, the Risk Management Committee has been appointed and the risk management unit has been established to be responsible for evaluating the risk level both in terms of the probability of occurrence and the potential impact to present to the management and the board of directors in a timely manner which allows them to manage such risks by considering the costs and benefits of controlling the risks to be at an acceptable level, minimising the risks or crises that are likely to reduce operations or cause disruptions in business, and following up on risk management continuously to ensure that those risks are appropriately handled and performance is evaluated.



In addition, the Risk Management Committee and the risk management unit carefully review the risk policy and the scope of the risks associated with the hotel and food business on an annual basis to analyse the effects of changes in factors related to business operations including new risks that are expected to affect business operations and to establish guidelines for managing new risks that may arise.

Long-term goal	The company is committed to becoming an organisation with integrated risk management that allows the company to manage operating costs and to recognise relevant risks in business processes. Aside from this, the company aims to increase its market analysis capabilities, competitiveness, and sustainable business returns
2019 goal	The company is committed to cultivating learning culture for risks and uncertainties in various dimensions ranging from changing consumer behaviours and society and new technology and innovation that are emerging in the business world to other external factors such as natural disasters, global economic conditions, and political uncertainty among employees at all levels.
2019 result	The company required management to pay attention to meetings with employees at all levels in order to strengthen a good risk management culture and promote communication and consultation about risks within the organisation which can lead to timely decision-making at all risk levels. The company also focuses on making sure that employees are better aware of the risks and uncertainties that affect the organisation and are able to handle them more effectively. The company has improved its reports to ensure complete information that reflects all dimensions including risk indicators, mitigation strategies, and emerging risks, in order to enable management to better understand and make timely and more accurate decisions.

Customer Relationship Management

The Place To Be



In providing services, the company's top priority is to respond to customer needs through quality products and services and to create good experiences for customers. As a result, customers' opinions and service satisfaction surveys are considered an important channel to acquire information that can be analysed about the behaviour and needs of both Thai and foreign customers and to promote participation in the development of products and services that can meet completely and accurately the needs of customers. Customers are asked to fill out an online questionnaire after receiving the service and to make suggestions or report complaints. The company also listens to suggestions from customers directly while providing the service. Moreover, the company has various channels to receive customer comments such as Facebook, Instagram, YouTube, Twitter, Weibo, Wechat, LinkedIn, and Pinterest and uses these channels to communicate, make announcements, and provide product and service information to customers.

The company conducts customer satisfaction surveys and makes a report every three months to analyse the data and improve its service. In 2019, the overall satisfaction score was 87.8 percent for the hotel business, 92.9 percent for the food business, and 97.8 percent for the product quality standard rating.

In 2019, the company conducted a research on customer demand and behaviour and brand perception in the hotel business which led to the rebranding of Centara hotels and resorts and the formulation of the marketing strategy of the hotel business under the concept of **"The Place To Be that Allows Us to Share Every Feeling"** which represents warmth, sincerity, and attentive service and promotes an atmosphere that gives customers peace of mind and a sense of belonging. The concept was also expanded to the food business in delivering value-for-money and impressive meals to customers, which will bring happiness, build relationships, and allow people to share their feelings with others at every opportunity and every meal that will be in their mind, allowing us to share every feeling with them.

Personal Data protection and privacy

Following the introduction of the General Data Protection Regulation (GDPR) on 25 May 2018, the company has announced the GDPR Standard Policy and Standard Operating Procedure to immediately comply with the GDPR. The company also provided trainings to all employees to ensure that they are informed about the details and correct procedures for requesting, using, and storing customers' information and that they notify customers for permission of data usage related to service provision. This was considered a change of the company's data collection system to be more standardised. In Thailand, the Personal Data Protection Act B.E. 2562 (2019) has been introduced to prevent the risks that affect the confidentiality, integrity, and availability of personal information which may bring about negative impact or damage to the individual or organisation. The company has established a personal data protection policy and guidelines to comply with the Act and provided trainings to all staff to ensure a good understanding of the law.

Supply Chain Management

The company emphasises the importance of doing business with its partners transparently, honestly, and fairly along with sustainable business operations in accordance with the company's supply chain management policy, covering economic, social and environmental dimensions. The company also focuses on safety and occupational health issues with the goal of directly and indirectly supporting, promoting, and enhancing suppliers and business partners who are directly or indirectly associated with the company to collectively create a long-term supply chain management that is socially responsible. The company has created the Code of Conduct & Guidelines for Business Partners and Suppliers which highlights business ethics and labour treatment in accordance with human rights principles, occupational health and safety, environmental sustainability, efficiency improvement, product and service innovation development in order for suppliers and business partners to follow the guidelines and apply the principles to their organisations. All suppliers and business partners are informed about the company's code of conduct and guidelines for suppliers and business partners.

In 2019, the company expanded its BEE SCM Procurement System for the hotel business from being used at three hotels in Bangkok to being used at 18 hotels under the One Product, One Price consolidated procurement system, making it possible to order products at a lower price and expanding trading opportunities for business partners. After changing the procurement system, the company was able to save up to 10 percent in its costs.

The number of business partners in the hotel and food business in 2019 was 19,644 in total. The company has prepared data and analysed business partners of the hotel and food business to classify partners into three groups which are very important business partners, important business partners, and general business partners using information from order value, supplier rating score, relationship as a good business partner, business conduct in accordance with good corporate governance, and being a business partner that continues to operate business in accordance with the socially and environmentally friendly policy on a continuous basis.

In 2019, the number of new business partners increased by 5 percent. New business partners must be screened with the following prerequisites: having a clear place of business, products or services certified as required by law, passing the test and complying with the requirements for receiving-delivering food and packaging that touches food in accordance with the Food Safety System, HACCP (Hazard Analysis Critical Control Point) standards, and ISO 22000: Food Safety Management System, and having certificates for raw materials that can touch food safely from the Institute such as SGS, Section 295, Ministry of Public Health, Intertek, ALS, including the standard of raw materials from environmentally friendly production such as paper produced from planted forest not natural forests, BRC, and FSC. The ESG data of key partners are also checked for compliance with social, and environmental aspects including basic practices of the business partners, for example, bringing packaging such as plastic bags, paper crates, and foam boxes back after every product delivery to reduce waste. Additionally, the company regularly checks the products for food safety, and the most drastic measure is to stop purchasing the product item or to cancel the purchases of all items.

Building relationships between the company and business partners is crucial. The company holds a meeting with key business partners every year. 224 hotel and food business partners attend the meeting to review the product delivery practices, product quality control, and new knowledge on food safety and sustainable environmental management which business partners can apply in their operations.

Ordering products or items that are environmentally friendly

After the hotel and food business has adopted a policy to procure products or items that are environmentally friendly, the company has purchased 6,190,000 plastic straws made from biodegradable material; 2,500,000 straws for the hotel business and 3,690,000 straws for the food business.

The company ordered tissue paper, paper boxes, and paper bags that are biodegradable from business partners that use raw materials from planted forest to support sustainable forest resource management through the selection of products with FSCTM standards. The food brands, particularly OTTOYA and Thai Terrace, have already started using paper bags instead of plastic bags.

Social Dimension

In 2019, the company aims to operate for the society by enhancing employees’ potential and providing good quality of life for them. The company is committed to helping and improving the society in many areas based on the “Sustainably Creating Job, Profession, Community, and Society” concept.

Human Resource Management

The company’s personnel recruitment, both in the hotel and food business, focuses on compliance with the human rights principles in terms of equality and right to be treated equally without discrimination against race, skin colour, gender, age, religion, and belief. The company hires people from all races by considering their qualifications that are suitable for the positions applied. Employees in the organisation can rotate or transfer to work in other areas as appropriate to improve skills and increase opportunities for career advancement. All new employees will receive an orientation to ensure understanding of the vision, corporate values and culture, requirements, and employee benefits before work. Since the company operates in many locations around the world, treating workers in accordance with the laws and human rights principles is an issue that the management emphasises. The company recruits employees of more than 30 nationalities with diverse cultural backgrounds. The company adheres to the international labour law, determines compensation and benefits appropriately according to employees’ experience and competency, and compares its compensation with other companies in the same business group so that male and female employees at all level are equally compensated.

Human Rights Operation

Human rights is an issue to which various organisations and businesses around the world pay attention since inappropriate operations or violations of human rights may have a negative effect on corporate image and public confidence in the organisation. Therefore, the company has created a human rights policy as a guideline for operations and practices based on the United Nations Guiding Principles on Business and Human Rights: Implementing the Protect, Respect, Remedy Framework (UNGPs) and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work without discrimination on race, religion, gender, colour, language, ethnicity or any other status.

In 2019, the company’s employees participated in the Better Business for Children: Children’s Rights Due Diligence workshop and analysed the impact of businesses on children’s rights and human rights in accordance with the UN Guiding Principles on Business and Human Rights (UNGP) following the “Children Rights and Business Principles (CRBP)” by the United Nations Children’s Fund (UNICEF) and found that the company has implemented the framework of the CRBP in relation to the principles on promoting children’s access safe services. The service provided was based on the understanding of the needs of children and aimed to respond to the imagination that children can access. The company has promoted knowledge through activities such as the Kids’ Club, Kids Spa, and Kids Menu that aimed to promote healthy, clean, and safe food menus for children and to design fun food decoration and delicious taste that children can enjoy.



Employee Well-Being and Employee Engagement

The company offers appropriate welfare and compensation to employees in accordance with the law such as remuneration, social security, health insurance, medical expenses, provident fund, staff uniform, staff cafeteria, nursing room in case of emergency during operation, and various facilities to meet employee needs. In 2019, the annual health examination programme and employee cafeteria were improved. The number of rest areas, employee residence buildings, and employee parking lot was increased. The office was also renovated to create a good work environment. Furthermore, the food business has improved staff allowances, travel expenses (low-cost airline ticket), accommodation, medical expenses, visiting gift value, ordination leave, and annual holidays.

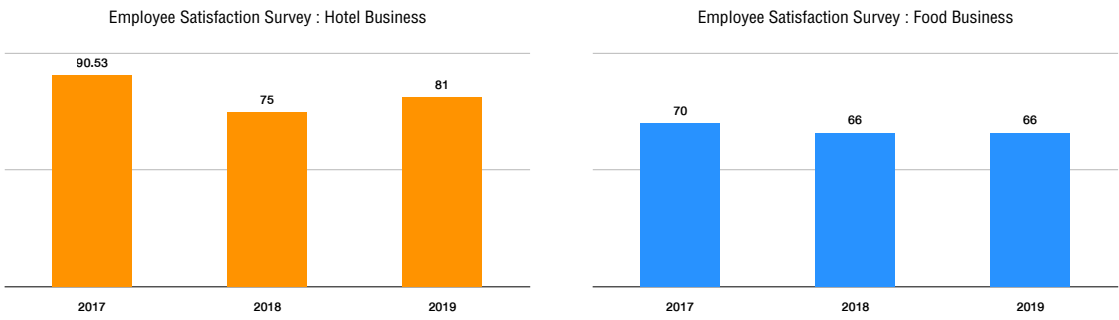
The company considers the remuneration of executives and employees in accordance with their responsibilities and competitive to the overall labour market. The company has surveyed and compared its compensation to leading organisations and companies in the same industry every year to review and adjust the criteria for compensation consideration, process of determining annual salary increases, and bonus payments in accordance with the criteria for evaluating employee performance in order to maintain quality personnel who have the ability to drive the organisation to sustainable growth. In this regard, gender, religion, or ethnicity does not affect the determination of employee compensation or promotion.

Safety and Occupational Health

The company puts a great emphasis on eliminating accidents, reducing the number of people injured from work, and minimising the risks that lead to loss of life, injury, and illness of employees which will affect the company’s operations. The company has a procedure to promote good health among employees, identify causes of harm, assess risks in the company’s operations, and continue to review its control and preventive measures. Additionally, the company provides annual health checks with a special health examination programme for staff who are in close contact with food for the safety of the employees and customers who receive the service. The company provides trainings on how to handle emergency situations which is considered an important issue for the hotel business. There is an annual fire training and fire evacuation drill every year to prepare for emergency. All employees who have passed the Basic Fire Fighting Course will receive a certificate. The company has reviewed the safety and occupational health guidance to develop the knowledge on safety, occupational health, and work environment in accordance with the laws, regulations and international standards with an aim of raising the safety, occupational health, and work environment standards with a plan for safety handling.

Employee Satisfaction Survey

The company conducts annual employee satisfaction surveys to obtain employees’ comments and suggestions. The data gathered are analysed to create an all-round employee treatment plan to improve the quality of life of employees, leading to greater efficiency. The company has set up a welfare committee to listen to the opinions of employees and gather information for presentation to management in careful review and consideration to improve employee welfare to be appropriate for each business group. In 2019, the hotel business group had the employee satisfaction target of 80 percent and survey results were at 81 percent, an increase from 2018, and ranked second within the Central group whereas the food business group had the survey result of 66 percent which was equal to the previous year’s, leading to the development of action plans for each food brand to increase employee satisfaction.



* From2018 to 2019, the employee satisfaction survey form was modified using the AON Hewitt system.

I•CARE Corporate Culture

The company aims to instill its corporate culture to all employees through various activities with an aim of promoting knowledge and understanding about the I•CARE corporate culture which emphasises the importance of cultivating culture of innovation within the organisation, promoting good relations with each other within the organisation through coaching, and promoting care and attention to fellow employees in every experience during the employment period (Relationship).

In 2019, the hotel business organised the “I•CARE Recognition Activity” to communicate and promote knowledge and understanding of the values and culture of the organisation by encouraging employees to submit works that exhibit the meaning of I•CARE that employees have applied in their daily life and lead to concrete results, and make a video test about the organisation’s culture to evaluate employees’ knowledge and understanding.

For the food business, the company has organised I•CARE Team Building activities to promote knowledge and understanding among agencies and brands. The company has organised I•CARE Board Game training to promote knowledge and understanding about the I•CARE corporate culture and allow employees to analyse various events and decide to behave appropriately in accordance with the corporate culture. The company created the Driving Innovation Project to promote the innovative organisational culture and the application of innovation in life and work. The company conducted the well-being

project to promote work and life balance as well as happy living with a focus on Happy Body, Happy Heart, Happy Society, Happy brain. The company carried out the Power of Recognition campaign to encourage employees to look up to good people and motivate good people to continue good deeds and be good role models for other employees, promoting a good work environment with good relationships, love, and bonds between employees, teams, and the organisation. On top of this, the company started the coaching culture project to encourage all employees to realise the importance of personnel development through coaching and assignment in order to develop talented people for the organisation. The company also organised the People Award / People Manager project to encourage all employees to realise the importance of the corporate culture on relationship by promoting care and attention to every fellow employee during the employment period.



Human Resource Development

In 2019, the training and human resource development department reviewed the Training Road Map for employees in the hotel business by analysing the potential and needs of employees at each level under the programme named Talent Development & Culture 2019 with the framework that involves three dimensions including Training, Career Development and Culture & Engagement. The department organised 4,439 Leadership & Functional trainings which equal 66,228 hours of training consisting of Tricks of Talk, Centara Spirit & Service Excellence, People Manager Programme, Problem Solving & Decision Making, and Turning Negativity into Positivity. The company also provided opportunities for employees to participate in trainings organised by other agencies and experts in their line of work to increase productivity in their work. 90 percent of employees participated in the skill trainings and the average number of training hours was 14 hours per person per year.

In 2019, technology was adopted for the development of online training and personnel development system on the topic of work ethics and corruption. 96 percent of employees have enrolled in the programme with tests of knowledge gained from the programme with the objective of promoting anti-corruption awareness among employees within the organisation. There are also plans to develop more online learning programmes in the coming years.

For employees in the food business, there were 44 training programmes including 15 management and leadership programmes, 11 compulsory programmes, four selective/self-need programmes, nine functional/by request programmes, two language programmes, two on-boarding programmes, and one centrality programme with 30.52 percent of employees participating in the programmes: 1,469 male employees or 37.64 percent and 2,434 female employee or 62.36 percent. The evaluation of satisfaction from the trainings is 93.6 percent or a 2.6-percent increase from the previous year.

Innovation Promotion in Operations

In 2019, the company conducted a project to promote innovation in the organisation’s business operations called Best Practice Exchange (BPE) which allowed all departments to present innovations or new techniques that can generate income, reduce costs, create customers’ or employees’ satisfaction, and gain acceptance from external parties in accordance with the company’s sustainability guidelines. The committee of the Best Practice Exchange (BPE) project evaluated 60 projects and selected only 29 projects which passed the “Best Practice” criteria, and five projects were put into practice in the hotel business with successful results. For example, the water saving project at Centara Ras Fushi Resort and Spa Maldives installed low flow strainers to adjust the water flow of showers, sink faucet, and toilet spray hoses. The project has been operating for four months and has saved 12,500 litres of water per day, an equivalent of 375,000 litres per month. In one year, it can save 4,562,500 litres of water or 28,000 baht per month or approximately 337,500 baht per year.

For the food business, the Omni Channel application was created to connect all distribution channels that reach customers including dining in, takeout, and home delivery. There is a CRM system, and the POS system was improved to facilitate and increase the accuracy of storefronts. The back-office database system was also enhanced to bring in customer information which will help with customer service and response to customer needs.

Employee Information

Hotel Business

• Total Employees (person)

Total employees	5,136
Male 2,745 (53%)	Female 2,391 (47%)
Full-time employees	5,005
Male 2,674 (53%)	Female 2,331 (47%)
Temporary employees	131
Male 71 (54%)	Female 60 (46%)

• Number of Employees Classified by Age (person)

Under 30 years old	1,634
Male 790 (48%)	Female 844 (52%)
Between 30-50 years old	2,991
Male 1,650 (55%)	Female 1,341 (45%)
Over 50 years old	511
Male 305 (60%)	Female 206 (40%)

• Number of Employees Classified by Job Level (person)

Higher than Director	12
Male 9 (75%)	Female 3 (25%)
Director Level	58
Male 43 (74%)	Female 15 (26%)
Manager Level	709
Male 352 (50%)	Female 357 (50%)
Supervisor Level	1,154
Male 567 (49%)	Female 587 (51%)
Operational Level	3,203
Male 1,774 (55%)	Female 1,429 (45%)

Food Business

• Total Employees (person)

Total employees	13,144
Male 4,212 (32%)	Female 8,932 (68%)
Full-time employees	5,464
Male 1,717 (31%)	Female 3,747 (69%)
Temporary employees	7,680
Male 2,495 (32%)	Female 5,185 (68%)

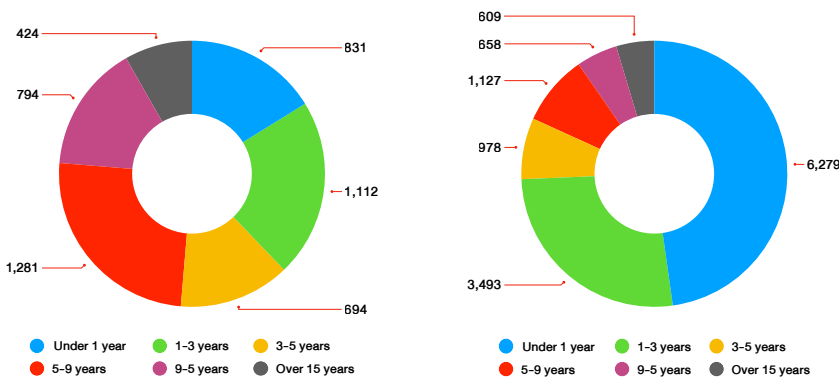
• Number of Employees Classified by Age (person)

Under 30 years old	10,398
Male 3,340 (32%)	Female 7,058 (68%)
Between 30-50 years old	2,592
Male 830 (32%)	Female 1,762 (68%)
Over 50 years old	154
Male 42 (27%)	Female 112 (73%)

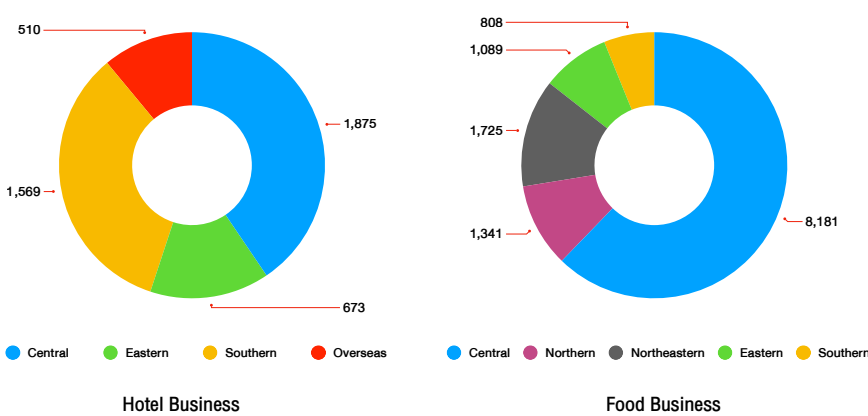
• Number of Employees Classified by Job Level (person)

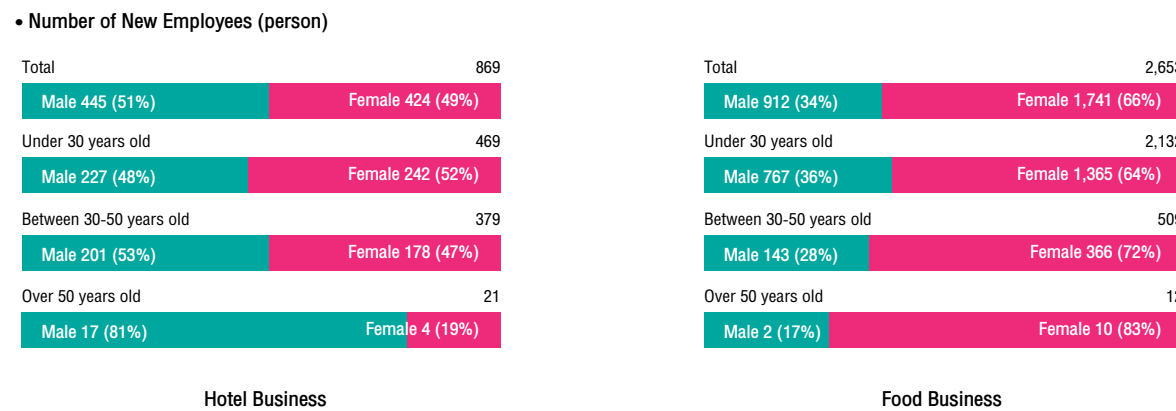
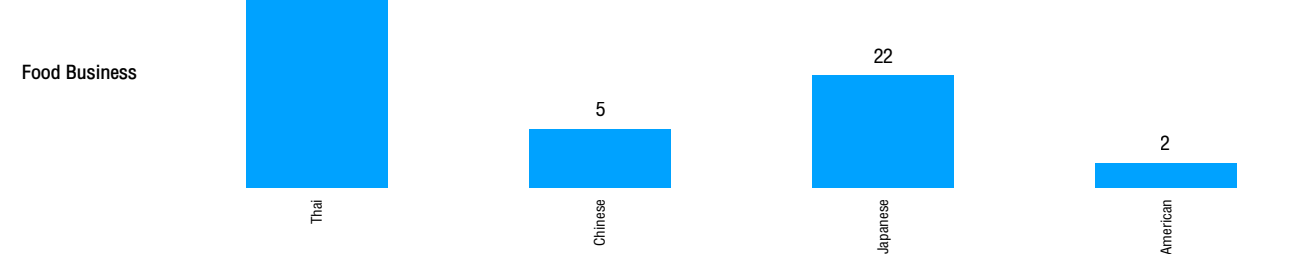
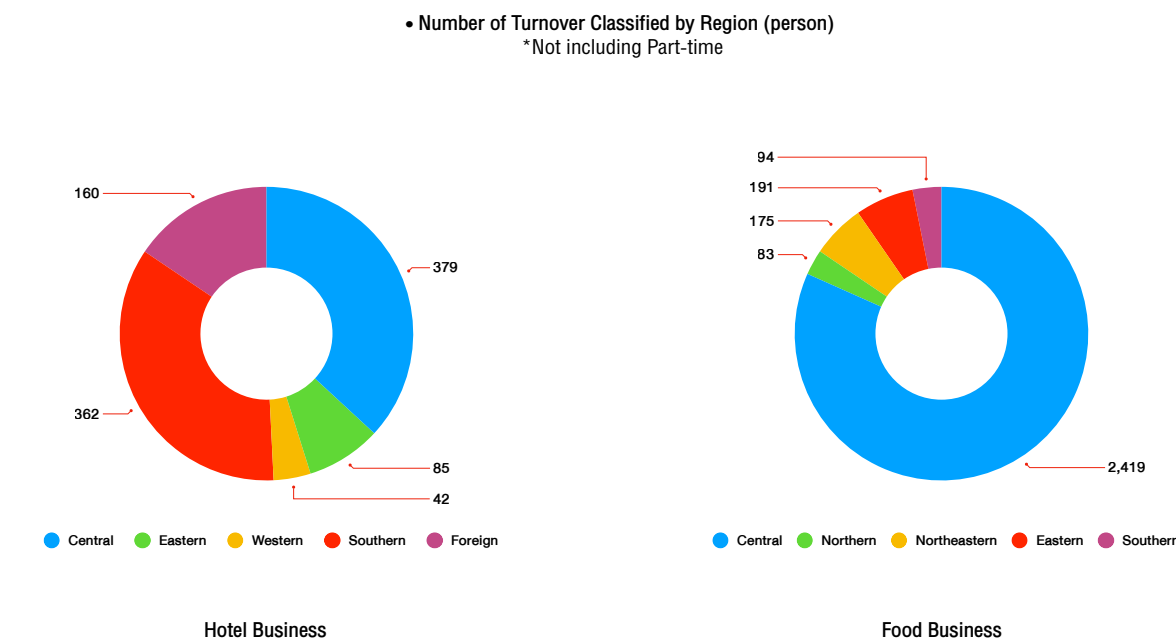
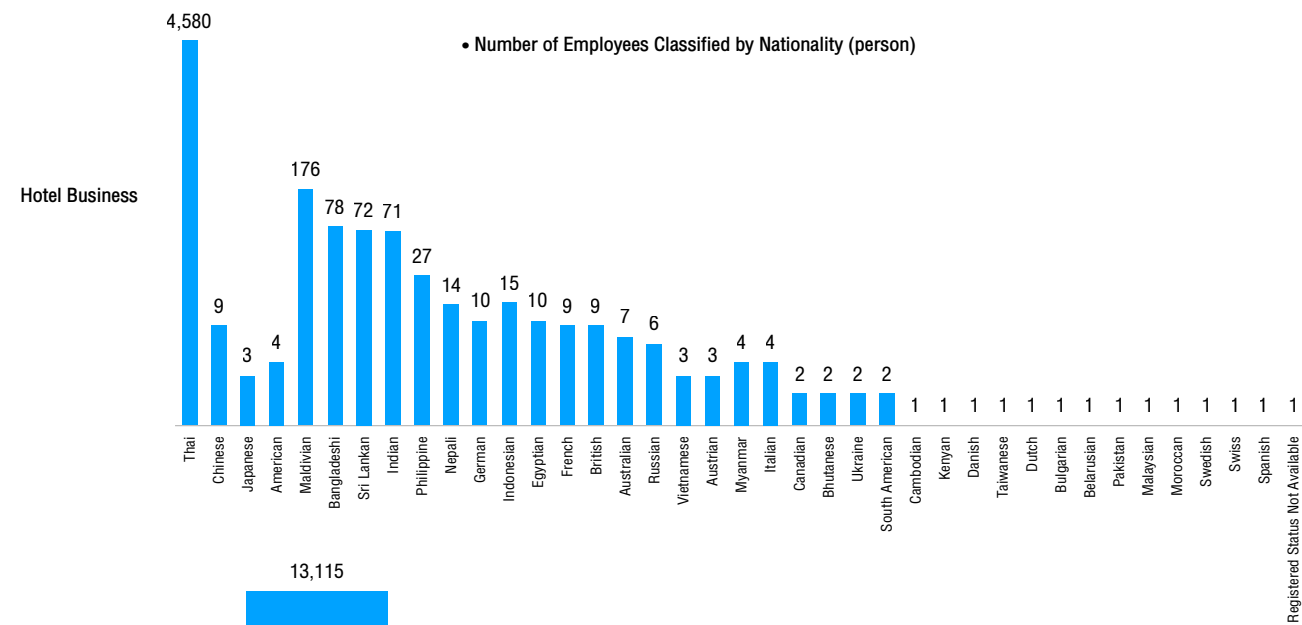
Higher than Director	14
Male 9 (64%)	Female 5 (36%)
Director Level	40
Male 11 (28%)	Female 29 (72%)
Manager Level	88
Male 28 (32%)	Female 60 (68%)
Supervisor Level	768
Male 294 (38%)	Female 474 (62%)
Operational Level	12,234
Male 3,870 (32%)	Female 8,364 (68%)

• Number of Employees Classified by Number of Years of Work Experience (person)



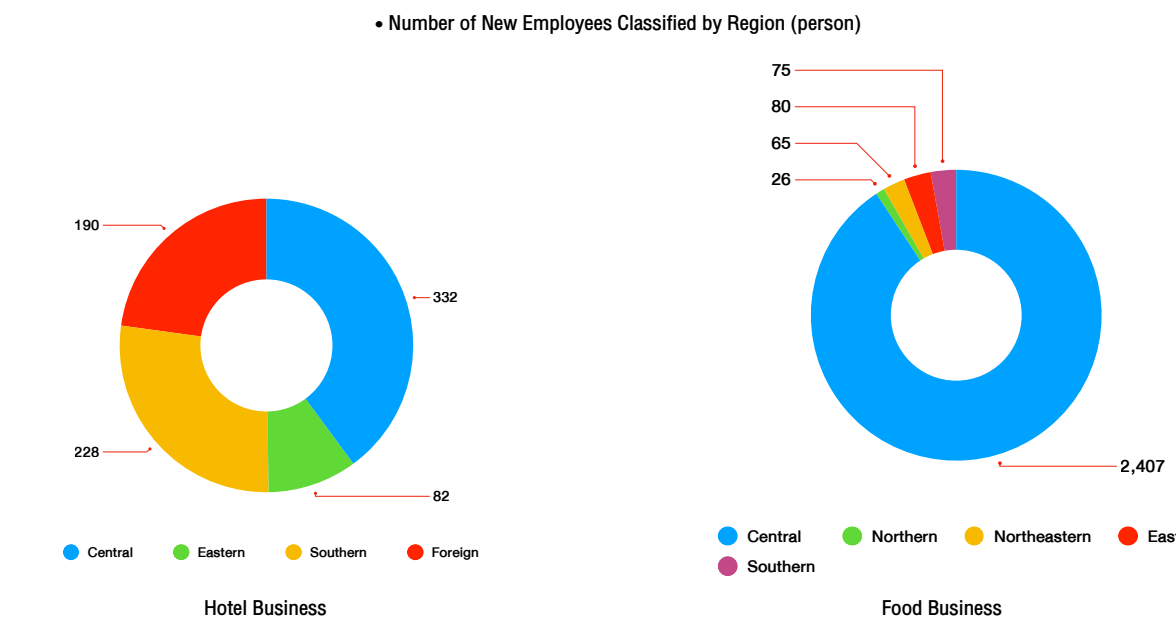
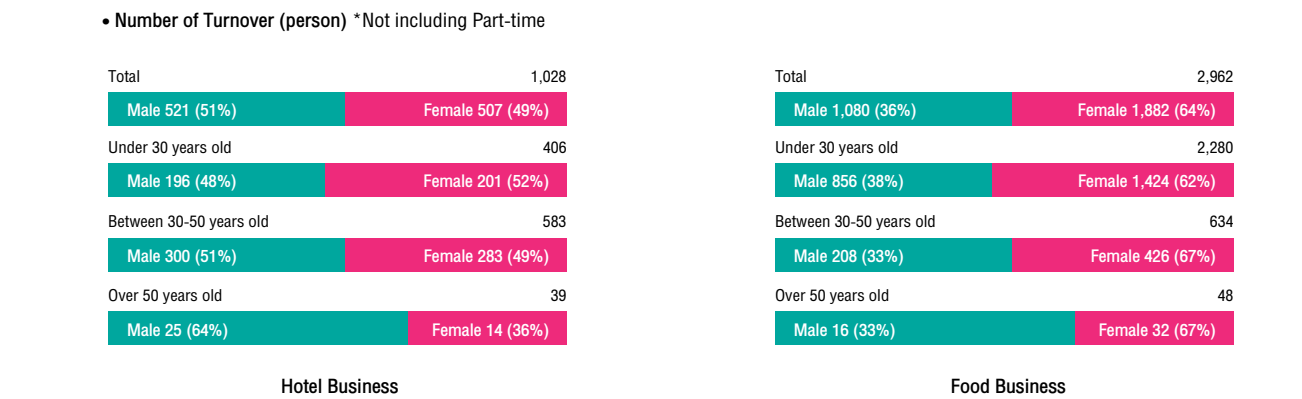
• Number of Employees Classified by Region (person)





• Basic Salary and Compensation Ratio between Male and Female Employees *Only Hotel Business

Higher than Director-Level Executives	1.05:1
Middle-Level Executives	1.07:1
Operational-Level Employees	1.04:1



• Number of Employees Who Took Maternity Leave

Hotel Business

64 employees or 1.2% of the hotel employees
Return to work after maternity leave 56 employees or 88% of the employees who took maternity leave

Food Business

271 employees or 2% of the food business employees
Return to work after maternity leave 210 employees or 77% of the employees who took maternity leave

• Number of Employees Injured at Work

Hotel Business

Injured but able to work 30 persons
Injured and took leave 28 persons
Number of deaths from work 0 persons

Food Business

Injured but able to work 37 persons
Injured and took leave 24 persons
Number of deaths from work 0 persons

• Number of Employees Receiving Safety and Occupational Health Trainings

Hotel Business 50% of total employees

Food Business 5.9% of total employees

• Number of Volunteer Employees *only hotel

Number of employees participating in volunteering activities 3,806 employees or 787,009 working hours

• Number of Employees’ Complaints about Labour Practices

Number of complaints 3 complaints, all of which have been handled with corrective actions

• Older Workers Employment

Hotel Business

Total 131 persons



Total Expense 55 million baht per year

Food Business

Total 11 persons



Total Expense 4.8 million baht per year

• People with Disabilities Employment

Hotel Business

Total 54 persons



Total Expense 7 million baht per year

Food Business

Total 242 persons



Total Expense 17.5 million baht per year

In 2019, Centara Grand Beach Resort Hua Hin and Central Restaurants Group Company Limited received the Award for Outstanding Employment of Persons with Disabilities from the Department of Empowerment of Persons with Disabilities, Ministry of Social Development and Human Security.

Human Resource Development Programme

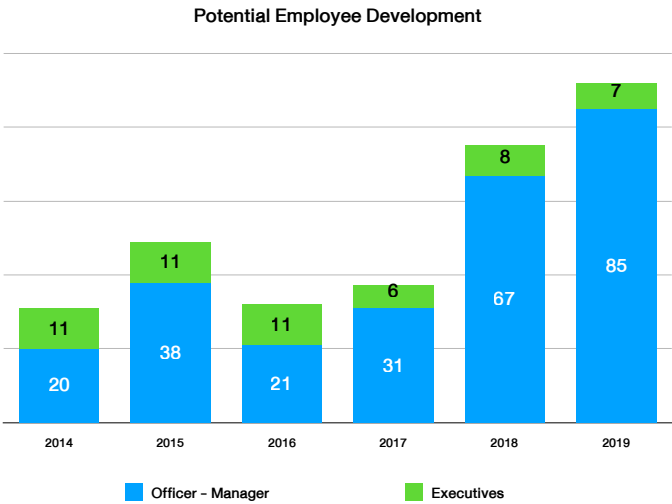
The company aims to develop quality human resource who are skilled and knowledgeable about hotel and service in order to meet the needs of the labour market; therefore, many programmes have been continuously carried out to achieve that goal.

Management Development Programme (MDP)

From 2005 to the present, the Management Development Programme has provided trainings to 16 classes of employees or 150 employees. In 2019, nine employees joined the programme and 53 employees who have completed the programme are still working at Centara hotels and resorts with job security and career advancement to the executive level, becoming the role models for the next generations of employees.

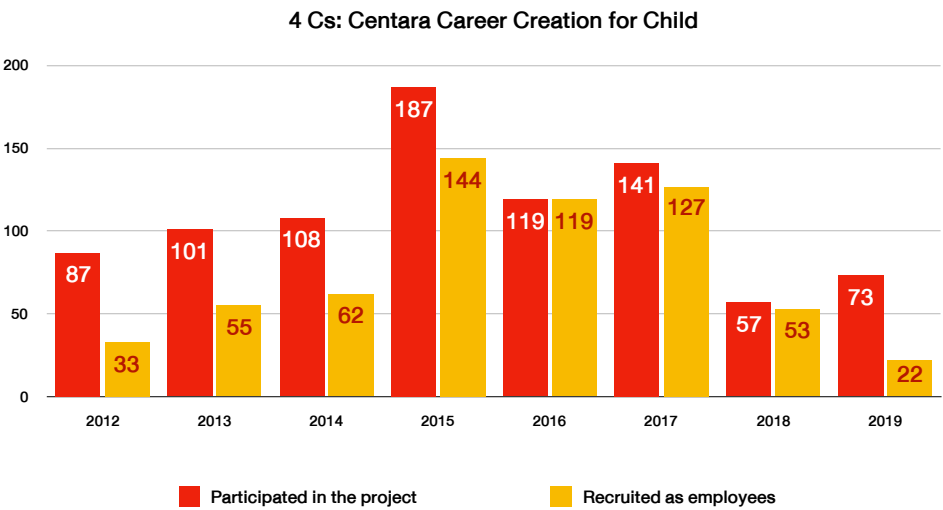
Succession Plan

From 2014 to 2018, 224 employees joined the programme. In 2019, 92 employees joined the programme.



4Cs: Centara, Career, Creative for Children

Centara Hotels and Resorts has implemented the 4Cs project to offer a five-month skill development programme to underprivileged youth who have graduated from high school at the Suksasongkroh and Rajaprajanukroh School Under Royal Patronage of His Majesty the King, Deaf School, and Schools for Visually Impaired Students. During the training, students received accommodation, food, uniforms, allowances, and health insurance. Students received certificates upon completion of the training and the opportunity to be hired as employees of Centara Hotels and Resorts in various provinces. Until 2019, 873 students have completed the training and 615 students have been recruited as employees at Centara hotels and resorts. The budget for this project was 2,583,563 million baht and the Department of Skill Development, Ministry of Labor partly supported the programme in the amount of 5,515,289 million baht. There are many students who have participated in the programme and are still working at Centara in many areas. This programme is a job creation program for young people to be able to earn at least 17,000 baht and a good starting point for career advancement in their field of interest.



MOUs with Domestic Educational Institutions

The Restaurant and Service Business Group has signed a memorandum of understanding (MOU) for educational cooperation with the Office of Vocational Education and educational institutions, both public and private, nationwide to carry out bilateral programme for cooperative education and internship to prepare and offer vocational experience to students. The project started in 2004, there were more than 350 educational institutions for professional experience training in the country with up to 350 educational institutions sending students to join the vocational experience programme. In 2019, the company signed a memorandum of understanding (MOU) with 32 institutions and had a plan to continue to expand educational cooperation with educational institutions to support future business growth.

CRG Bilateral Educational Programme

The Restaurant and Service Business Group has conducted a bilateral programme for cooperative education and internship since 2004 by collaborating with over 350 public and private vocational and higher-education institutions nationwide. Students will be under the supervision of the instructors at the places of business. The instructors must complete 30 hours of training with the Office of Vocational Education and 172 instructors have already completed the training programme. The programme aims to provide students with real experience from skilled instructors who have intensively been trained, allowing students to become quality and skilled supervisors in the near future.

Currently, there are 1,100 students joining the programme. The company has a policy to accept 1,700 new students every year and to increase the number continuously. There are a total of 12,000 students who have graduated including 13 vocational and vocational graduates who are encouraged to continue to the bachelor's degree level and six bachelor's degree graduates. The policy aims to expand educational opportunities to employees through the programme called "Tri-Party" which focuses on advancing the education of managing level employees at the operation department. There are 40 graduates who have advanced in their career path following the company's development plan each year to support business expansion and create quality personnel for the labour market as set out in the "more than the experience gained from internship is the opportunity for career advancement" goal.

Social Development and Community Support

The company has promoted social development and community support with the goal of strengthening the communities for development and better living standards following the sustainable social development policy. The company has operated based on the 4 Central Tham projects which reflect the sustainable development goals in education and well-being (PEOPLE), community product development (Community), environmental quality (ENVIRONMENT), and peace and cultural art conservation (PEACE & CULTURES). The company has worked with the Central Group to implement various projects. In 2019, the company spent the budget of 10 million baht with details as follows:

Educational Development Project

Supported the improvement of the free-ranged egg packaging center for students at Yang Talat Wittayakhan School in order to sell the chicken eggs from the school at 130 branches of Tops Supermarket nationwide and renovated the music practice room and provided Pong Lang musical instruments and 10 computers to Nong Sor Witthayakhan School, Kalasin Province to enable the students to develop musical skills and accept band hiring offers which can provide students with more income. The project totaled 1,082,586 baht.



Sustainable Educational Development Project

In 2019, Central Plaza Hotel Public Company Limited together with the Ministry of Education provided non-binding continuous scholarships to students with good behaviour, volunteering spirit, and good academic records, to encourage youth to study in the fields suitable for their skills, interests, and labor market needs. The scholarships were divided into the following levels: primary level - 3,000 baht per scholarship, junior high school level - 5,000 baht per scholarship, vocational school level - 10,000 baht per scholarship, and vocational school level - 20,000 baht per scholarship. 185 students from 142 educational institutions from 40 provinces have received scholarships in the total amount of 1,100,000 baht. These scholarship students also have the opportunity to intern with companies under the Central Group to increase their knowledge and skills in the professional fields of their interests.



Second-and Third-Year School Education System Development Project

Supported the project for sustainable educational development under the Pracharat School Fund in the total amount of 1,773,570 baht in 16 schools as follows: 1. Ban Nong Khun Laow Lak Wittaya School, 2. Ban Dong Udom School, 3. Ban Khlong Mak School, 4. Ban Khuan Muang School, 5. Ban Thung Prue School, 6. Ban Thung Samed School, 7. Ban Na Pong School, 8. Ban Bang Khram School, 9. Ban Phru Din Na School 10. Ban Yan Udom School, 11. Ban Saphan Pon School, 12. Ban Nong Nam Daeng School, 13. Wittaya Prachakom School, 14. Ban Nong Na Kham School, 15. Sakae Ratchawitthayakhom School, and 16. Ban Khuan Sawan School.

Community Development Volunteering Project

1. Supported the construction of training buildings and shops for the Mae Tha Way of Life Project in Chiang Mai Province, with the cooperation of the Earth Net Foundation to create a learning center for organic agriculture and the role model for sustainable agriculture in the amount of 500,000 baht.



2. Supported the construction of the food processing building and indoor facilities of the Women's Fish Conservation Group in Ban Tra Chu, Singburi Province to increase the capacity to manufacture and process products to meet standards, leading to more income for the community, in the amount of 500,000 baht



Community Product Development Project

1. Supported the Happy Society event organised by the Happy Society Foundation, Sampran District, Nakhon Pathom Province, to develop the potential of the organic farming community in selling agricultural products under the Central Tham Project in the amount of 500,000 baht.
2. Supported the 8th Community Products Fair 2019



Role Model Community Development Project

Supported the Na Muen Si Woven Cloth exhibition at the Na Muen Si Cloth Weaving Museum in Trang Province to carry on the local wisdom and identity of the ancient Na Muen Si cloth weaving which has been passed on for over 200 years and has generated income for the community from the sales of the woven cloth to tourists in the amount of 749,000 baht.



The company has supported the operations of various foundations and organisations as follows:

1. Bhadra Maharajanusorn Foundation under Royal Patronage of Her Royal Highness Princess Chulabhorn Walailak Agrarajakumari, Krom Phra Srisavangavadhana Vorakhattiya Rajanari aimed to assist in medical treatment for the poor, especially cancer patients, and support the development and advancement of medical science.
2. The International Resources and Environmental Development Foundation which holistically applies the sufficiency economy principles under the “understand, access, and develop” philosophy together with the concept of “Bowon” (cooperation between households, companies, temples, government, and schools) as well as the principles of Buddhist economics in the foundation’s operations to transfer the knowledge on resource and environmental management.
3. Supported the work of the Anti-Corruption Organization of Thailand.

In addition, each hotel and food brand strives to create projects to support and develop communities in the surrounding area in order to build good relationships with the people in the nearby communities as follows:

Centara Grand Hotel at Central World continues to provide space of the hotel’s lobby for new artists’ art exhibitions. In 2019, proceeds from the sales of art works were donated to foundations or charities that need help such as the Prostheses Foundation of H.R.H. the Princess Mother, Children’s Hospital Foundation Heart Center, Dr. Kamchad-Pranee Mongkolkul Foundation, and the Priest Hospital, National Institute of Priest Health.

Centra by Centara Government Complex Hotel & Convention Centre Chaeng Watthana has provided an area for community shops to support the underprivileged, the disabled, the elderly, and groups that offer products that are environmentally friendly in having a place to sell their products to generate income for their family and to strengthen the communities.

Centra by Centara Hotel Mae Sot has begun ordering raw materials from the community every week for cooking to provide income for the community and upgrade the food menu by collaborating with the Central Group to create the “Chef’s Table by Executive Chef” project which used local

ingredients such as Chinese cabbage, kood, tomato, pumpkin, avocado, and iceberg lettuce, to create four Huai Pla Lod menus, adding value to raw materials in the community.

Centara Grand Mirage Beach Resort Pattaya organised the “Mirage Weekend Market” or an event to promote income generation for the surrounding community. This activity was well supported by the Social Welfare Division of Nong Prue Subdistrict Administrative Organisation and Bang Lamung Social Welfare Development Center that helped bring products in the community for sales at fair prices to provide more income and promote good quality products of the community. On top of this, Centara Grand Beach Resort Hua Hin has continued its Green Market project by allowing employees and surrounding communities to sell chemical-free agricultural products to employees and customers.



In terms of the food business, the Central Restaurants Group launched the “robe recycling, creative work from plastic bottles” project under the concept of “reducing garbage is simple by starting with you “ to encourage employees to participate in an initiative to reduce the use of plastic waste by sorting plastic bottles and sending them to Chak Daeng Temple, Samut Prakan Province for the production of priest robes which contain approximately 37 percent of plastic mixed with one natural-fabric robe using a total of 15 plastic bottles. The project also received cooperation from staff of Central Pattana Public Company Limited. The number of plastic bottles sent to Chak Daeng Temple was 7,000 bottles, which were gathered in one month and could be used to produce 465 robes.







Environmental Dimension



Centara EarthCare is the Environmental Sustainability Programme of Centara Hotels & Resorts by which we integrate green activities and sustainable practices into our hotel operations. Our commitment to sustainability has put us on a path of long-term success where resources are respected and the communities in which we operate in receive opportunities for business growth and long-term sustainable employment. Our aim is to undertake responsible practices and honour the environment in which we live and operate.

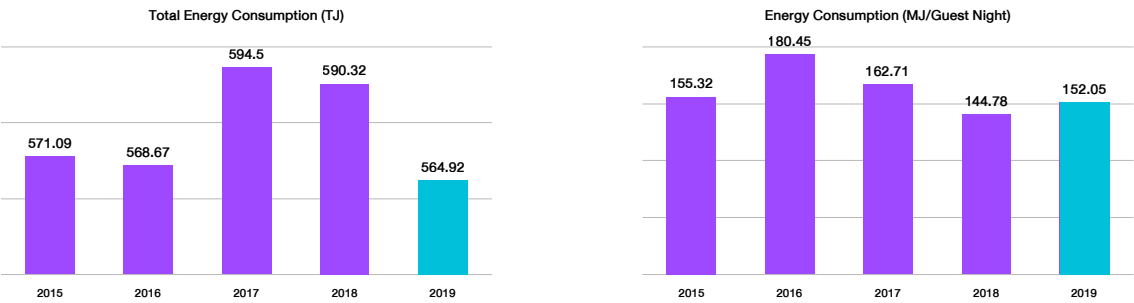
INTERIM ENVIRONMENTAL TARGETS IN 2019

-  Energy – Decrease 2% MJ per Guest Night
-  GHG Emissions - Decrease 5% KG CO2-e per Guest Night
-  Water – Decrease 2.5% Litre per Guest Night
-  Recyclable Waste Rate – Increase 7.5%

2019 ENVIRONMENTAL SUSTAINABILITY PERFORMANCE

ENERGY

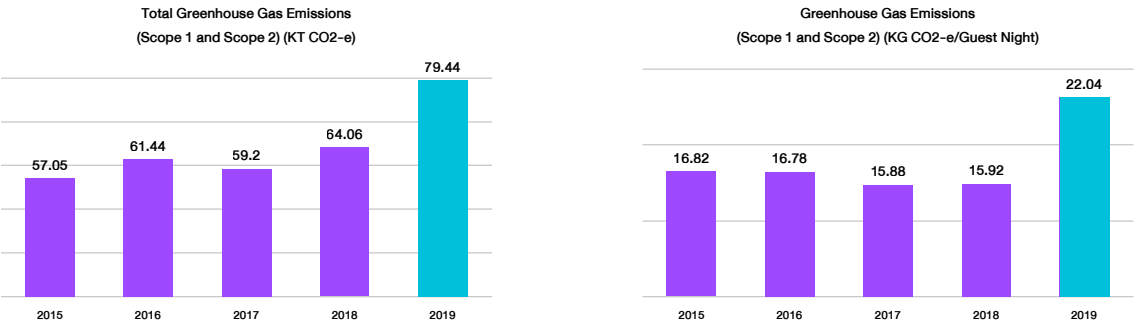
Our energy consumption depends on the size, components, and performance of each property that we operate. The main components of consumption are Purchased Electricity, Stationary Fuel, and Mobile Fuel. Based on the data collection online system* that we used in 20 properties in 2019, total energy consumption reduced by 4.30% or 564.92 Terajoule (TJ) and energy consumption per guest night increased by 5.02% or 152.05 Megajoule (MJ) while the best practice was at 187.56 MJ per guest night.



Note: *EarthCheck Programme

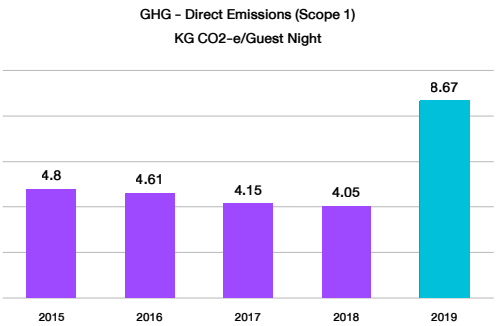
GREENHOUSE GAS EMISSIONS (Scope 1 and Scope 2)

In 2019, total greenhouse gas emissions (scope 1 and scope 2) was 79.44 KT Co₂-e * or on average 22.04 KG Co₂-e per guest night while the best practice based on the data of 20 properties from the data collection online system globally reported on average 27.90 KG Co₂-e per guest night.

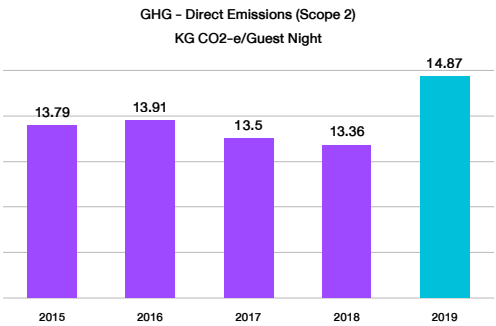


Note: *KT = Kilotone, Co₂-e = Carbon Dioxide Equivalent

Scope 1 Direct Emissions*:



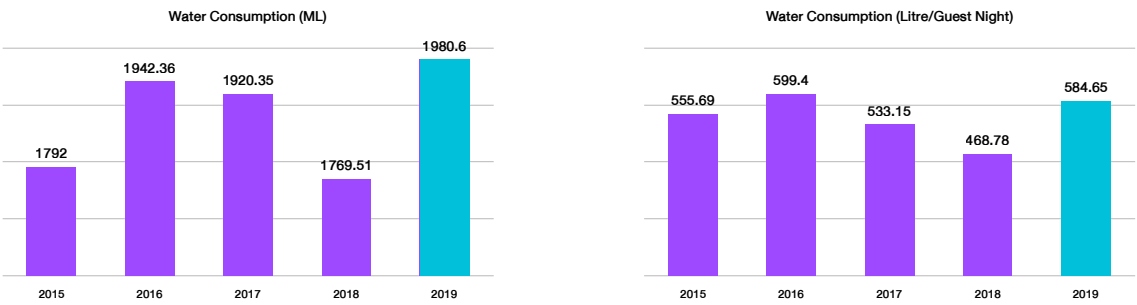
Scope 2 Indirect Emissions*:



Note: *We modified the calculation method of GHG Emissions (Scope 1 & Scope 2) from total sum (KG Co₂-e /Guest Night) in the previous years to average number (KG Co₂-e /Guest Night) in 2019

WATER

Based on the data collection online system that was used for 20 properties, the total water consumption increased by 11.93% or 1,980.60 Megalitre (ML) in 2019, which on average equates to 584.65 litres per guest night. Even though the water consumption significantly increased in 2019, our water performance was still in the between baseline and best practice at 758.24 and 540.20 litres per guest night respectively from the global data collection online system.



WASTE

The team members from each department of the individual properties take reasonable steps to minimize the waste that they produce. They follow the waste management policy and recycling in general. All segregated waste is centralised at the property's garbage room or designated area that includes appropriate separation zones of each type of waste including; Organic Waste, Recyclable Materials, General Waste, Hazardous Waste and Electronics Waste with clear designations. Waste are disposed by authorised/licensed waste service providers only.

In 2019, the total volume of waste sent to landfills was 7,831.91 cubic meters or on average 2 liters per guest night. This number excludes waste that was recycled, reused, composted or incinerated, which was on average 53.60% of total waste.



THE MANAGEMENT OF HARMFUL SUBSTANCES

Centara Hotels & Resorts is committed to reducing its impact on the environment. One way that we do this is through an effective chemical management programme to improve workplace safety, reduce workplace accidents and minimise the severity of any breaches. The hotels and resorts identify, store, distribute, transport, dispose of and use harmful substances in a manner that minimises the risks of ecological harm and is in accordance with local regulations or international standards. We do our best to ensure procurement of environmentally preferable products and services whenever possible.

ENERGY CONSERVATION AND INNOVATION

LED Lighting

LED technology provides many advantages when compared to traditional lighting, such as LEDs consume less power, can operate effectively on low-voltage electrical systems and have higher safety as they almost emit zero heat. In 2019, more than 75% of our total operating properties replaced their lighting system with the LED lighting at both Front-of-House and Back-of-House areas totaling 70% or above. More LED installations are scheduled for 2020 and this replacement schedule will continue until all properties reach 100% LED.



Intelligent Electronic Capacitor Bank

Centara Grand Mirage Beach Resort Pattaya installed an electrical backup capacitor called “Intelligent Electronic Capacitor Bank,” that receives data from sensors, and power equipment and can issue control commands if it senses voltage, current, or frequency anomalies, or raise/lower voltage levels in order to maintain the desired level. By installing the Intelligent Electronic Capacitor Bank, the hotel saved energy approximately 1.53% of electricity after turning on the Capacitor Bank in 1 Day.

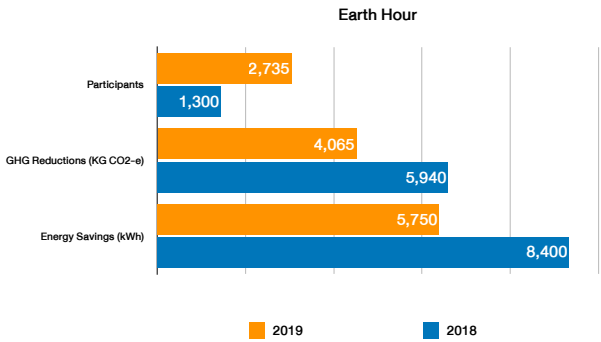
Once Through Boiler

This technology has been introduced into three of our hotels and resorts as it helps reduce the energy consumption by 20% at each property. In 2019, Centara Hotel & Convention Centre Udon Thani was one of the private sectors that was selected for a government subsidy project to install Once Through Boiler with the capacity of one ton for operating the laundry system. By using this machine to make steam for the hotel laundry system instead of a fire tube boiler, the hotel reduced the number of gas tanks used from 418.17 kg to 347.19 kg per day or a 17% saving.



Earth Hour

In 2019, 2,735 staff and the hotel guests celebrated Earth Hour. We took the symbolic action of switching off the lights across our group of properties in Thailand and overseas. During Earth Hour, we saved over 5,750 kWh of energy and 4,065 KG Co₂-e in Greenhouse Gas Emissions. The energy that we saved is equivalent to the amount of energy that it takes to charge 518,480 smartphones.



RENEWABLE ENERGY

Rooftop Solar Panel

The rooftop solar conversion is one of Centara’s most ambitious sustainability projects undertaken by a single property. The benefits to the environment make it a compelling choice, and we are continuously looking for opportunities to expand our solar programme at other properties in the future.

Centara Ras Fushi Resort & Spa Maldives ceased harmful gas emission after the adoption of a rooftop solar panel system that began producing electricity in December 2019. Following the completion of solar panel installation atop the roofs of all of the resort’s main structures, Centara Ras Fushi Resort & Spa Maldives will generate enough pollution free power to supply close to 40% of its energy needs, resulting in an annual energy savings equivalent to 307,000 kilowatt hours (kWh) or about 83,000 litres of diesel fuel.



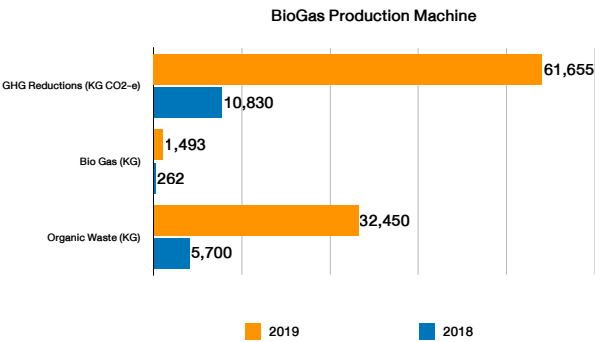
Heat Recovery System

Centara Grand Mirage Beach Resort Pattaya installed the heat recovery system to recovery waste heat from the compressor from the walk-in refrigerator and the exhaust pipe of steam boiler to reuse and reduce the total energy usage in the hotel. The waste heat recovered from the heat recovery system was 7.39 kilowatt hours (kWh) or 74.6% according to the full compressor load. From this energy saving project, Centara Grand Mirage Beach Resort Pattaya will save approximately 373,540 kWh per year of energy, which equates to 291 tons of Green House Gas emissions or Co₂ equivalent of 44.7 homes' electricity use for one year.



Biogas Production Machine

Food waste or organic waste without property handling causes Green House Gas emissions that have a big impact on climate. The composting biogas production machines are used at Centara Grand Beach Resort Phuket and Centra by Centara Maris Resort Jomtien for converting organic waste into cooking fuel and fertilizer, helping to reduce Green House Gas emissions. In 2019, we reduced 61,655 KG Co₂-e of Greenhouse Gas Emissions from using the composting biogas machines. We diverted 32,450 kg of organic waste from landfills and produced 1,492.7 kg of BioGas equivalent LPG.



EV Charger

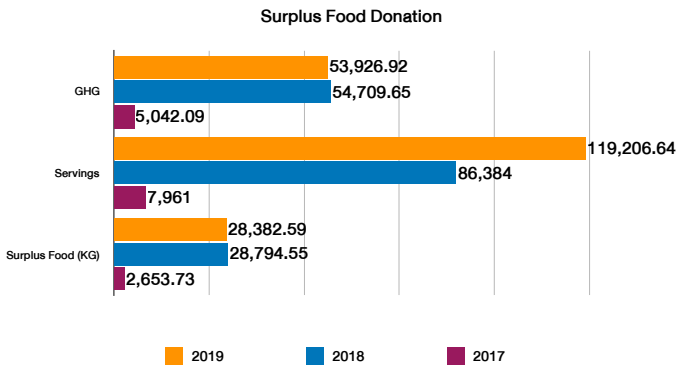
Centara Grand at CentralWorld and Centara Hotel & Convention Centre Udon Thani strive to be more sustainable and innovative than other hotels in their respective geographical areas. Electric Vehicle Charging Stations are available for guests to charge their electric or hybrid vehicle batteries at both of these properties.



WASTE MANAGEMENT INITIATIVES

Surplus Food Donation

It is an ongoing programme to eliminate hunger and food waste, operated by Scholars of Sustenance Foundation (SOS) – Thailand. Our properties in Bangkok have been active partners since 2017. In 2019, the foundation expanded their charitable service to Phuket area and as of the end of 2019, our three properties in Bangkok together with another three Phuket properties donated 59,830.87 kg of good quality cooked food, bakery and fruits which provided over 213,551.64 servings to the orphanages, refugees, disabilities and low-income people. By reducing this amount of food waste, we have successfully saved 113,678.66 kg of GHG equivalent emissions (Co₂-e (kg)).



Food Waste Donation Through Compost Programme

The Compost Programme initiated by Scholars of Sustenance Foundation (SOS) – Thailand has an aim to tackle food waste management issues in the long term and the potential of turning food waste into valuable resources for agricultural industries by developing capacity to receive food waste from the food waste producing partners and deliver to farm partners who turned food waste into compost and animal feeds.

From participating in this programme, Centara Grand & Bangkok Convention Centre at CentralWorld and Centara Grand at Central Plaza Ladprao Bangkok have diverted 143,064.11 kg of food waste from landfills, which is equivalent to 271,821.81 kg of Co₂-e Emissions.



Food Wrapping Film Donation

Centara Grand & Bangkok Convention Centre at CentralWorld and Centara Grand at Central Plaza Ladprao Bangkok worked together with their food wrapping film supplier on a project 'Circulife by M Wrap' to repurpose the food wrapping film into new objects. The food wrapping film is a recyclable plastic No. 3 PVC (Poly Vinyl Chloride). Donating this item that our hotels use in their kitchens in daily operation helps reduce environmental impact from diverting waste to landfill, totaling approximately 160 – 180 kg. per month.

Elimination of Single-Use Plastic

Following the launch of elimination of plastic straws, plastic laundry bags and plastic take-away containers, in 2019, the amenities provided in the guest rooms were also replaced by the bulk-size dispensers with proper safeguarding locks for hygiene purposes. Over 2,248 room-keys in 14 properties have successfully eliminated the single bottles by offering these refillable amenities. In the future, all properties of Centara Hotels & Resorts will eliminate single use amenities from the guest rooms and suites.



Food Waste Prevention

Centara Grand & Bangkok Convention Center at CentralWorld has been created initiative project named Food Waste Prevention to reduce food waste in preparation process. Executive Chef and kitchen staffs attended Food Waste Prevention training to understand how to reduce food waste in operation, operation cost and get the most benefit from our raw material. This project kicked off with raw material preparation at Butcher and Seafood section for six months. It can reduce food waste in preparation process from 40 % to 15 %.

ENVIRONMENTAL AWARENESS AND INITIATIVES

World Environment Day and Ocean Day

Both the World Environment Day and Ocean Day events are part of the growing worldwide plastic reduction movement that has gained significant traction in recent years. Eliminating single-use plastic items is a key priority of the 2019 Centara Earth Care programme, a company-wide initiative aimed at encouraging hotel guests and tourists to be proactive about energy saving and to promote sustainable environmental tourism.

In 2019, we marked the World Environment Day (5th June) and Ocean Day (8th June) events with a month-long campaign to raise awareness of the scourge of plastic waste, encouraging guests and staff to join the effort to rid beaches of discarded plastic trash.

The initiative features sculpted sea creature-cum-trash-bins named POP — short for “Plastic Only Please” where guests can “feed” the plastic waste they pick up in and around the beach. Our ‘POP’ popped up at 12 Centara properties on the coastline around Thailand and The Maldives.

Each time the plastic-hungry sea life creature filled up with collected plastic trash, Centara’s waste management teams removed the contents, weighed the trash, and prepared it for sorting and delivery to local recycling facilities. These plastic eating creatures provided a first-line waste management filter collecting reusable plastic materials so they could be recycled into new items instead of going straight to the landfills. At these events, we gained public attention as pictures and contents of ‘POP’ Fish were shared and written across social media channels by various press and influencers. Over 400 kg of recyclable plastic waste were collected and sent for proper management.



Ecosystem Management and Conservation: The Coral Restoration Project

It has been over 4 years since Centara Ras Fushi Resort & Spa Maldives, together with Best Dives Maldives, initiated a coral restoration project. Besides providing an opportunity for guests to witness the growth of a new coral garden and learn the process of recovering the damaged corals, they also provide information about the threats to coral reefs and marine life and how to help to minimize the threats to the guests.

Under this project, the hotel staff received training on coral restoration in order to help nursing the coral farm in the lagoon correctly. New corals have been planting every month. Over 150 bases of corals are already planted for this long-term project and now the property has extended the coral planting participation to local school students.

In 2019, there was coral bleaching all over Maldives that affected the project. The coral planting was suspended for a few months due to high temperature of the seawater. During this time, Centara Ras Fushi Resort & Spa Maldives focused on taking care of the coral farm by monitoring the condition of the existing corals closely and moved them, when necessary, to deeper and colder waters. At the resort, a marine life presentation by an expert also organised weekly talks for all guests to gain knowledge about marine life in the Maldives and how they can contribute in conserving it.



Centara EarthCare Corner

The initiative was introduced at ‘Something to Remember’ retail shops located within Centara’s hotels and resorts. They offer various sustainable products that cause minimal harm to people and to the environment as well as enhance guests’ shopping experience while also helping sustain the planet for future generations. Ranges of product available include:

1. Centara Signature Products: Reusing things is one of the most sustainable ways to combat plastic pollution. Centara Signature Products are designed to be reusable. They help preserve the environment by significantly reducing single-use plastic waste.
2. Community Products: Supporting local businesses matter, especially when you consider the carbon footprint of transporting goods long distances. Our Community Products are handcrafted from natural materials and produced in Thailand. Not only will purchasing these products help save the environment, your purchase also helps retain local culture and craftsmanship.
3. Products from Recycled Materials: Recycling is another effective way to protect our environment. At Centara EarthCare Corner, we are supportive of converting waste into new objects and highlight interesting products that are made from recycled materials.



Waste Segregation Bin

The waste segregation bins are provided throughout outdoor public area. They are made from recycled materials including recycled plastic beads and powdered scrap wood. Centara is dedicated to sustainable living and committed to the reduction of our carbon footprint. By using this substitute material, we are helping reduce the rate of deforestation around the world.



Beach Bag

This beach bag is inspired by traditional Thai patterns and materials. They are entirely made from recycled plastic and were first available at Centara Ras Fushi Resort & Spa Maldives for our guests to enjoy during their stay. This OS&E item will be progressively introduced to other resort properties across the group in the coming years.

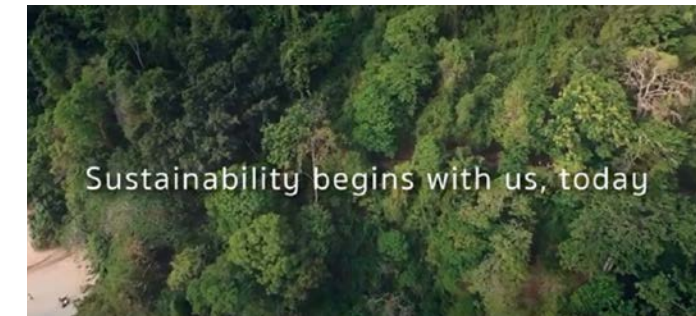
Living the Greener Life at COSI

'Living the Greener Life' is energy saving tips and environmentally related practices. It is presented on TV at each guest room to create awareness and encourage guest's participation. At COSI Samui Chaweng Beach, they also provide 'Going Greener Map' with an embedded google map that shows the low-carbon activities and other green recommendations at COSI and around the island. Guests can simply download the map on their phones from the QR code provided. Both initiatives are paperless communication material and they are planned to implement at other new COSI hotels as well.



Centara Sustainability Story Video

In 2019, Centara presented a very first professionally developed sustainability short film to showcase our consciousness about being sustainable through the practices that we implemented at each property. Our intension is to use this video as a tool to communicate our efforts to stakeholders and to other people, and to help create more awareness about sustainability.



Sustainability Training

It is our dedication to embed sustainability and educate members of the management and executive team to help develop, implement, lead and maintain an organisation's sustainability programmes, ensuring there is an appropriate level of governance and buy-in as they are the key people who enable to motivate and solicit support from staff whilst creating an informal environment to share daily challenges and opportunities for continual improvement. The sustainability training provided by the corporate office across Centara Hotels & Resorts, covered topics including Global Challenges, Concept of Sustainability, Tourism Impact and Response and Responsible Operation. In 2019, the management team of twenty-four hotels and resorts received the training with more than three-hundred head of departments including the general managers attending.



HOTELS & RESORTS GREEN ACTIVITIES

Centara Hotels & Resort in Pattaya and Centara Watgate Pavillion Hotel donated clean plastic waste to Jak Daeng Temple, Phra Pradaeng District, Samut Prakan as a contribution to the project "nano-robe". The yarn, made from a mixture of used plastic, cotton, zinc oxide nanoparticles, is turned into monk robes. The hotels have to make sure the bottles are thoroughly washed with the caps and brand labels removed in order to make a fine, high quality fabric and reduce workload of the temple and the local community who helps run the project.

Centara Watgate Pavillion Hotel donated aluminum materials from beverage caps and cans for use in making of prosthetics for the disabled, under a project initiated by Thailand Post and the Pollution Control Department.

Centara Grand Beach Resort & Villas Hua Hin together with Hua Hin Municipality joined forces to boost Hua Hin's environmental sustainability efforts and raise awareness about waste segregation, especially plastic waste to the hotel guests and tourists in Hua Hin.



Beach Cleaning and Lagoon Cleaning

Beach Cleaning is an important component of our process and is undertaken on a daily basis by properties that have direct ocean access. On the Earth Day 22 April 2019, Centara Ras Fushi Resort & Spa Maldives arranged a lagoon cleaning. Twenty-five snorkelers and divers (including resort guests) participated and they collected 176 kg of garbage from the lagoon.



AWARD AND RECOGNITION

EarthCheck Certifications

A well-known and acclaimed environmental certification and benchmarking programme for the travel and tourism industry. In 2019, we achieved Gold level certification at 11 properties, Silver level certification at 4 properties and 5 properties are under the Evaluate Plus programme of EarthCheck.

Certified Programme		
1	Centara Grand Beach Resort & Villas Krabi	Certified Gold 2019
2	Centara Grand Beach Resort and Villas Hua Hin	Certified Gold 2019
3	Centara Grand Beach Resort Samui	Certified Gold 2019
4	Centara Grand & Bangkok Convention Centre At Central World	Certified Gold 2019
5	Centara Karon Resort Phuket	Certified Gold 2019
6	Centara Grand at Central Plaza Ladprao Bangkok	Certified Gold 2019
7	Centara Grand Beach Resort Phuket	Certified Gold 2019
8	Centara Grand Island Resort and Spa Maldives	Certified Gold 2019
9	Centara Grand Mirage Beach Resort Pattaya	Certified Gold 2019
10	Centara Kata Resort Phuket	Certified Gold 2019
11	Centara Ras Fushi Resort and Spa Maldives	Certified Gold 2019
12	Centara Villa Phuket	Certified Silver 2019
13	Centara Villa Samui	Certified Silver 2019
14	Centara Hotel Hat Yai	Certified Silver 2019
15	Centara Anda Dhevi Resort & Spa Krabi	Certified Silver 2019
Evaluate Plus Programme		
1	Centara Koh Chang Tropicana Resort	Evaluate Plus 2019
2	Centara Watergate Pavillion Hotel Bangkok	Evaluate Plus 2019
3	Centara Hotel & Convention Centre Udon Thani	Evaluate Plus 2019
4	Centra by Centara Maris Resort Jomtien	Evaluate Plus 2019
5	Centara Muscat Hotel	Evaluate Plus 2019

ASEAN Green Hotel Award

This award is given to hotel industry players whose operations are based on environmentally – friendly principles and adopt energy conservation measures to achieve sustainable tourism. Centara Grand at Central Plaza Ladprao Bangkok and Centara Grand Beach Resort & Villas Hua Hin were among the five winning hotels in Thailand to receive this prestigious award.

Green Hotel Award (G Mark)

Centara Hotels & Resorts has been actively enrolling in this three-year award that hosted by Department of Environment Quality Promotion, Ministry of Natural Resources and Environment since 2015. In 2019, we received the G Mark Award – Silver Level for four properties in Thailand and we are holding the valid G Mark Awards for eight properties in total, namely; Centara Grand at Central world, Centara Grand Beach Resort & Villas Hua Hin, Centara Hotel Hat Yai, Centara Villas Samui, Centara Anda Dhevi Resort & Spa Krabi, Centara Hotel & Convention Centre Udon Thani, Centra by Centara Government Complex Hotels & Convention Centre Cheang Watthana and Centra by Centara Maris Resort Jomtien.



Thailand Sustainable Event Management Standard: TSEMS

Centara Grand at Central world, Centara Grand at Central Plaza Ladprao Bangkok achieved standard certificates of Thailand Sustainable Event Management standard or TSEMS that is developed by Thailand Convention and Exhibition Bureau in order to provide framework for MICE entrepreneurs throughout the value chain to compile various services related to sustainability and present to public.

Thai Hotel Plastic Free Certificate by Thai Hotel Association

This one year project was initiated by Thai Hotel Association in collaboration with the Tourism Authority of Thailand and allied agencies, under the concept “Every journey begins with a single step” with the aim to encourage and inspire all hotels to reduce and eliminate single-use plastics in their daily operations, thus enhance the image of Thailand’s tourism and hospitality industries by promoting this effort through TAT’s offices worldwide.

Centara Grand at Central world, Centara Grand at Central Plaza Ladprao Bangkok, Centara Grand Beach Resort & Villas Krabi, Centara Karon Resort Phuket, Centara Kata Resot Phuket, Centara Villas Samui, Centara Anda Dhevi Resort & Spa Krabi, and Centara Koh Chang Tropicana Resort received certificates of participating hotels in recognition of the efforts in improving waste reduction and reducing plastic pollution.



Guidelines for Sustainable Development Reporting

About This Report

Central Plaza Hotel Co., Ltd. has prepared the sustainable development report as part of the annual report for the fourth year to present operating results in terms of sustainable development to stakeholders which cover all dimensions of sustainability including economic, social, environmental, and governance dimensions. The Sustainable Development Report 2019 was prepared using the Global Reporting Initiatives (GRI Standards) reporting framework at the core level, presented guidelines for the implementation of the United Nations Global Compact (UNGC), Environmental Check for Sustainable Tourism Management (Earth Check), and connected the organisation’s sustainability operations to the Sustainable Development Goals (SDGs).

Scope of the Report

The Sustainable Development Report presents operating results of 2019 from 1 January 2019 to 31 December 2019 covering the hotel business and food business under Central Plaza Hotel Public Company Limited and Central Restaurants Group Company Limited which operate in Thailand and overseas. The storage of the environmental data of 20 hotels and 16 food brands uses the database that meets EarthCheck’s requirements.

Quality Control of the Report

The Sustainable Development Unit is the central unit for coordinating and controlling the preparation of the report to ensure accuracy and completeness. The unit reviews the key content, and top management of each business group and the senior vice president of finance and administration confirm the publication of the information.

If you have any questions or suggestions regarding this report, please contact the Sustainable Development Department, Central Plaza Hotel Public Company Limited, Tel. 0 2769 1234.

GRI Content Index

GRI Standard	Disclosure	Page Number and/or URL	Relation to SDGs	External Verification
GRI 102: General Disclosure 2016	Organization profile			
	• 102-1 Name of organization	Cover page, Annual Report 280		
	• 102-2 Activities, brands, products, and services	Annual Report 6-7, 28-29, 38-39, Back Cover page		
	• 102-3 Location of headquarters	Annual Report 280, Back Cover page		
	• 102-4 Location of operations	Annual Report 276-279, 286-287		
	• 102-5 Ownership and legal form	Annual Report 249, 276-279		
	• 102-6 Markets served	Annual Report 6-7, 28-29, 38-39, 276-279		
	• 102-7 Scale of the organization	67		
	• 102-8 Information on employees and other workers	67-70	SDG 8	
	• 102-9 Supply chain	63		
	• 102-10 Significant changes to the organization and its supply chain	63		
	• 102-11 Precautionary Principle or approach	Annual Report 101, 222-225		
	• 102-12 External initiatives	54		
	• 102-13 Membership of associations	57-58		
	STRATEGY			
•	102-14 Statement from senior decision-maker	Annual Report 18-21, 101		
	102-15 Key impacts, risks, and opportunities	52-53		
	ETHICS AND INTEGRITY			
•	102-16 Values, principles, standards, and norms of behavior	51	SDG 16	
	102-17 Mechanisms for advice and concerns about ethics	60		
	GOVERNANCE			
•	102-18 Governance structure	60-61, Annual Report 228		
	102-19 Delegating authority	60-61		
	102-20 Executive-level responsibility for economic, environmental, and social topics	52		
	102-21 Consulting stakeholders on economic, environmental, and social topics	56-57		
	102-22 Composition of the highest governance body and its committees	Annual Report 228-235		
	102-23 Chair of the highest governance body	Annual Report 238-248		
	102-24 Nominating and selecting the highest governance body	Annual Report 233		
	102-25 Conflicts of interest	Annual Report 257		
	102-26 Role of highest governance body in setting purpose, values, and strategy	Annual Report 228-235		
	102-27 Collective knowledge of highest governance body	Annual Report 264		
	102-28 Evaluating the highest governance body’s performance	Annual Report 264-265		
	102-30 Effectiveness of risk management processes	Annual Report 234, 262		
	102-31 Review of economic, environmental, and social topics	52		
	102-32 Highest governance body’s role in sustainability reporting	52		
	102-33 Communicating critical concerns	52		

GRI Standard	Disclosure	Page Number and/or URL	Relation to SDGs	External Verification
	102-34 Nature and total number of critical concerns	52		
	102-35 Remuneration policies	Annual Report 234,263		
	102-36 Process for determining remuneration	Annual Report 234,263		
	102-37 Stakeholders' involvement in remuneration	Annual Report 234,263		
	102-38 Annual total compensation ratio	Annual Report 252-253		
	102-39 Percentage increase in annual total compensation ratio	Annual Report 252-253		
	STAKEHOLDER ENGAGEMENT			
•	102-40 List of stakeholder groups	56-57		
•	102-41 Collective bargaining agreements	65		
•	102-42 Identifying and selecting stakeholders	56-57		
•	102-43 Approach to stakeholder engagement	56-57		
•	102-44 Key topics and concerns raised	56-57		
	REPORTING PRACTICE			
•	102-45 Entities included in the consolidated financial statements	88		
•	102-46 Defining report content and topic Boundaries	88		
•	102-47 List of material topics	53		
•	102-48 Restatements of information	88		
•	102-49 Changes in reporting	88		
•	102-50 Reporting period	88		
•	102-51 Date of most recent report	88		
•	102-52 Reporting cycle	88		
•	102-53 Contact point for questions regarding the report	88		
•	102-54 Claims of reporting in accordance with the GRI Standards	88		
•	102-55 GRI content index	89-93		
INDIRECT ECONOMIC IMPACTS				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	54		
•	103-2 The management approach and its components	54		
•	103-3 Evaluation of the management approach	54		
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	54-55		
	203-2 Significant indirect economic impacts	54-55		

GRI Standard	Disclosure	Page Number and/or URL	Relation to SDGs	External Verification
ANTI-CORRUPTION				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	58		
•	103-2 The management approach and its components	59		
•	103-3 Evaluation of the management approach	59		
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	59-60		
	205-2 Communication and training about anti-corruption policies and procedures	60	SDG 16	
ENERGY				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	58, 75		
•	103-2 The management approach and its components	57, 76		
•	103-3 Evaluation of the management approach	76		
GRI 302:Energy	302-1 Energy consumption within the organization	76	SDG 8, SDG 13	
	302-2 Energy consumption outside of the organization	76	SDG 8, SDG 13	
	302-3 Energy intensity	76	SDG 8, SDG 13	
	302-4 Reduction of energy consumption	76	SDG 8, SDG 13	
	302-5 Reductions in energy requirements of products and services	76	SDG 8, SDG 13	
WATER AND EFFLUENTS				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	58, 75		
•	103-2 The management approach and its components	57, 76		
•	103-3 Evaluation of the management approach	77		
GRI 303: WATER AND EFFLUENTS 2018	303-3 Water withdrawal	77		
EMISSIONS				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	58, 75		
•	103-2 The management approach and its components	57, 76		
•	103-3 Evaluation of the management approach	76-77		
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	76-77	SDG9, SDG 13	
	305-2 Energy indirect (Scope 2) GHG emissions	76-77	SDG9, SDG 13	
	305-4 GHG emissions intensity	76-77	SDG9, SDG 13	
	305-5 Reduction of GHG emissions	55, 76-77	SDG9, SDG 13	

GRI Standard	Disclosure	Page Number and/or URL	Relation to SDGs	External Verification
EFFLUENTS AND WASTE				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	58, 75		
•	103-2 The management approach and its components	57, 76		
•	103-3 Evaluation of the management approach	77-78		
GRI 103 :• Management Approach	306-2 Waste by type and disposal method	77-78		
	306-4 Transport of hazardous waste	78		
SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	63		
•	103-2 The management approach and its components	56, 63		
•	103-3 Evaluation of the management approach	55, 63		
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	63		
EMPLOYMENT				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	54, 64		
•	103-2 The management approach and its components	56, 64		
•	103-3 Evaluation of the management approach	54, 64-72		
GRI 401: Employment	401-1 New employee hires and employee turnover	67-68		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	64		
	401-3 Parental leave	70		
OCCUPATIONAL HEALTH AND SAFETY				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	54		
•	103-2 The management approach and its components	56,64		
•	103-3 Evaluation of the management approach	65, 70		
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	70		
	403-2 Hazard identification, risk assessment, and incident investigation	70		
	403-3 Occupational health services	70		
	403-4 Worker participation, consultation, and communication on occupational health and safety	70		
	403-5 Worker training on occupational health and safety	70		
	403-9 Work-related injuries	70		

GRI Standard	Disclosure	Page Number and/or URL	Relation to SDGs	External Verification
TRAINING AND EDUCATION				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	54, 64		
•	103-2 The management approach and its components	56, 66		
•	103-3 Evaluation of the management approach	66		
GRI 404: Training and Education	404-1 Average hours of training per year per employee	66		
	404-2 Programs for upgrading employee skills and transition assistance programs	66, 70-72		
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	64		
•	103-2 The management approach and its components	64		
•	103-3 Evaluation of the management approach	54		
GRI 405: Diversity and Equal opportunity	405-1 Diversity of governance bodies and employees	67-69, Annual Report 238-248	SDG 5	
	405-2 Ratio of basic salary and remuneration of women to men	68	SDG 5	
HUMAN RIGHTS ASSESSMENT				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	64		
•	103-2 The management approach and its components	64		
•	103-3 Evaluation of the management approach	64		
GRI 412: Human Rights Assessment	412-2 Employee training on human rights policies or procedures	64	SDG 5	
LOCAL COMMUNITIES				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	54, 72		
•	103-2 The management approach and its components	54, 57, 72		
•	103-3 Evaluation of the management approach	71-75		
GRI 413:Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	71-75		
SUPPLIER SOCIAL ASSESSMENT				
GRI 103 :• Management Approach	103-1 Explanation of the material topic and its Boundary	63		
•	103-2 The management approach and its components	56, 63		
•	103-3 Evaluation of the management approach	63		
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	63		
	414-2 Negative social impacts in the supply chain and actions taken	63		

UN Global Compact Principles

Currently, CENTEL has not yet signed a pledge to comply with the Ten Principle of the UN Global Compact (UNGC). However, CENTEL has studied and implemented it as a guideline in its operations for the company’s sustainable development as follows:

Main Issues	Principle	Page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights	59, 63-64
	2. Make sure that they are not complicit in human rights abuses	63
Labour	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	65
	4. The elimination of all forms of forced and compulsory labour	63
	5. The effective abolition of child labour	63
	6. The elimination of discrimination in respect of employment and occupation	64
Environment	7. Businesses should support a precautionary approach to environmental challenges	75-86
	8. Undertake initiatives to promote greater environmental responsibility	85-86
	9. Encourage the development and diffusion of environmentally friendly technologies	66, 78-86
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	59-60



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 and fully independent in performing their duties and there are members of the Audit Committee who are knowledgeable and duly experienced in reviewing financial statements according to the regulations of the Stock Exchange of Thailand (SET). During the year 2019, the meeting of Board of Directors passed a resolution to appoint Ms. Sopawadee Lertmanaschai to be a Chairman of the Audit Committee replaced Mr. Bhisit Kuslasayanon, Effective from May 1,2019. So the structure of the Audit Committee has been changed as follows;

- | | |
|--------------------------------|---------------------------------|
| 1. Ms. Sopawadee Lertmanaschai | Chairman of the Audit Committee |
| 2. Mr. Bhisit Kuslasayanon | Member of the Audit Committee |
| 3. Mr.Vichien Tejapaibul | Member of the Audit Committee. |

In 2019, there were a total of 8 Audit Committee meetings, whereby all members of the Committee attended every meeting with the exception of Mr.Vichien Tejapaibul, who requested to be excused from 1 meeting due to other pressing commitments. At these meetings, Corporate Accounting and Financial Controller of the Company and Subsidiary Companies involved as well as the Director of Internal Audit Unit and the external Auditors 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 2019

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, cooperation of Management and Key Audit Matters. Furthermore, during the performing audit work of external Auditors, there were no 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, reported to the Audit Committee.

The Audit Committee is of the opinion that the financial statements are presented accurately, in all material respects, corresponding to generally accepted standards of financial reporting and adequately disclosed.

Internal Controls System

The Audit Committee reviewed the internal control system from the summary report presented by the Internal Audit Unit quarterly and the results of internal control annual assessment as the form of internal control system adequacy assessment, 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 2019 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 to prevent the recurrence of problems.

2. 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.

3. Compliance with Applicable Securities Laws and Legal Requirements of the SET, together with other Relevant Legal Regulations.

The Audit Committee reviewed the process of monitoring the compliance of the company relating to all applicable securities laws and regulatory requirement of the SET, as well as any other laws relevant for the company's business operations. The Audit Committee advised the management to specifically designate a department or person responsible for monitoring the compliance with the law including ethics and relevant regulations. This is to ensure that every employees in the organization have complied with these issues correctly.

4. Transactions with Potential Conflict of Interests

The Audit Committee reviewed and assessed, ever quarter, any proposed connected transactions to be undertaken with related parties or businesses. The Committee has determined that the Company used pricing policies for the products or services 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.

5. Review of and Proposed Appointment of the External Auditors for 2020

The Audit Committee considered and reviewed the selection of the external Auditors for 2020; from 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 1,890,000.- (Baht one million eight hundred and ninety 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 can be concluded that the Audit Committee performance complied with the Charter.

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

Ms. Sopawadee Lertmanaschai
Chairman of Audit Committee



REPORT OF THE NOMINATION AND
COMPENSATION COMMITTEE

In 2019, the Nomination and Compensation Committee has performed its duties and responsibilities under its Charter by held three 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 2019. The Company offered minor shareholders a chance to nominate directors since October 1, 2018 to February 1, 2019. Since no such nomination emerged. The Committee recommended that the retired directors who finished their terms in 2019 should be reappointed to another term and proposed 1 new director. The 2019 AGM approved every nominated director.

2. Considering the 2019 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
Chairman of the Nomination
and Compensation Committee

REPORT OF THE COMMITTEE FOR RISK
MANAGEMENT, CORPORATE GOVERNANCE,
AND SUSTAINABLE DEVELOPMENT

Dear Shareholder

Central Plaza Hotel Public Company Limited recognises the importance of integrated organisational risk management which is vital to stakeholders’ confidence in the company’s ability to achieve its objectives and goals under the business conditions and uncertainty in business. The Board of Directors has appointed the Committee for Risk Management, Corporate Governance, and Sustainable Development to be responsible for policy making and recommendations on appropriate risk management for business operations, considering and advising management and staff on risk management, promoting and supporting risk management process following the guidelines and policies, and following up on the results from the company’s corporate governance and sustainable development.

The Committee for Risk Management, Corporate Governance, and Sustainable Development consists of six distinguished members as follows:

- | | |
|---------------------------------|----------------------------------|
| (1) Mr. Sudhitham Chirathivat | Acting Chairman of the Committee |
| (2) Mr. Prin Chirathivat | Member of the Committee |
| (3) Mr. Thirayuth Chirathivat | Member of the Committee |
| (4) Mr. Ronnachit Mahatanapruet | Member of the Committee |
| (5) Mr. Nat Wongpanich | Member of the Committee |

In 2019, the Committee for Risk Management, Corporate Governance, and Sustainable Development held four meetings, and the operating results can be summarised as follows:

1. Monitored and reviewed organisational risk management to be in accordance with COSO’s ERM standard and followed up and reviewed risk management results on a quarterly basis to ensure that the risk environment is at an acceptable level and that the organisation is able to achieve its goals.

2. Reviewed and approved key risk indicators and risk rating scale to ensure appropriateness and consistency with the current situation.

3. Reviewed and provided comments on risk factors in 2018 and monitored the progress of the risk management plan and reported significant progress to the Board of Directors.

4. Promoted enterprise risk management culture by providing knowledge and promoting understanding among executives and employees at both the organisational and business unit levels

5. Communicated and exchanged information about risks and internal control with the Audit Committee.

6. Promoted the introduction of the code of ethics and policy to receive complaints from all stakeholders to provide the opportunity to report clues of behaviour that is considered fraud, corruption or unfair business practice.

7. The company announced the policy for sustainable development, and the committee agreed to establish the Working Group on Sustainability to ensure sustainable operations of the organisation including the hotel and food business. As a result, the company was chosen to be included in the list of Thailand Sustainability Investment (THSI) and listed on the SET THSI INDEX.

In summary, the Committee for Risk Management, Corporate Governance, and Sustainable Development has fully performed their duties following the scope of duties and responsibilities assigned by the Board of Directors to ensure organisational risk management, corporate governance, and sustainable development in the long term.

Mr. Sudhitham Chirathivat
Acting Chairman of the Committee for Risk
Management, Corporate Governance, and
Sustainable Development



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, 2019.

Mr. Suthikiati Chirathivat
Chairman

Mr. Thirayuth Chirathivat
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED

Independent Auditor's Report

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 2019, 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 2019, 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.

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 96.9 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 6, 12, 13, 14 and 17 and accounting policies Note 4.5 and 4.11 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 judgements 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 data 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 assess 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 weighted 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 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 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: 26 February 2020



Central Plaza Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	2,023,701,433	1,281,542,645	64,004,929	139,810,991
Current investments	8	787,939,102	898,689,562	-	-
Trade and other receivables	6, 9	764,503,583	863,429,225	154,894,581	214,506,634
Short-term loans to related parties	6	-	-	471,103,445	322,823,921
Dividend receivables from related parties	6	-	-	209,999,695	277,000,000
Inventories	10	871,491,906	844,818,650	29,397,313	28,679,944
Other current assets	11	213,584,473	160,793,372	29,169,643	34,656,439
Total current assets		4,661,220,497	4,049,273,454	958,569,606	1,017,477,929
Non-current assets					
Available-for-sale investments		923,014	901,589	-	-
Investment in an associate	12	524,125,440	533,619,372	518,138,809	527,634,858
Investments in subsidiaries	13	-	-	6,231,332,405	5,901,332,405
Investment in joint ventures	14	915,175,525	394,125,032	-	-
Long-term loan to related parties	6	-	-	2,505,420,969	2,139,177,259
Investment properties	15	143,734,140	146,889,316	225,143,815	238,063,631
Property, plant and equipment	16	17,997,227,681	17,873,887,105	3,978,803,414	3,969,880,578
Goodwill	17	314,602,238	314,602,238	-	-
Leasehold rights	18	1,776,589,182	1,941,086,748	1,144,300,750	1,192,616,898
Intangible assets	19	453,678,491	436,012,654	8,274,348	9,966,029
Deferred tax assets	34	119,427,808	86,445,049	34,543,286	-
Other non-current assets	20	682,896,562	670,607,251	7,137,141	6,547,293
Total non-current assets		22,928,380,081	22,398,176,354	14,653,094,937	13,985,218,951
Total assets		27,589,600,578	26,447,449,808	15,611,664,543	15,002,696,880

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 2019

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	21	550,959,421	129,799,200	-	-
Trade and other payables	22	2,648,617,093	2,755,415,935	375,880,237	398,534,283
Current portion of deferred income	6	146,502,115	169,275,748	54,847,155	80,868,071
Current portion of long-term loans					
from financial institutions	23	615,629,308	234,143,580	400,000,000	-
Current portion of debentures	24	800,000,000	-	800,000,000	-
Short-term loans from related parties	6	-	-	520,179,723	414,373,397
Income tax payable		99,874,851	179,355,818	-	-
Other current liabilities	25	267,615,001	224,275,096	34,450,859	41,275,358
Total current liabilities		5,129,197,789	3,692,265,377	2,185,357,974	935,051,109
Non-current liabilities					
Long-term loans from financial institutions,					
net of current portion	23	1,618,292,813	2,379,567,798	891,451,166	1,491,834,207
Debentures, net of current portion	24	4,080,000,000	4,280,000,000	4,080,000,000	4,280,000,000
Long-term loans from related parties	6	52,328,547	52,328,547	-	-
Deferred income	6, 39.4	1,877,733,616	2,024,226,302	893,786,427	942,957,078
Deferred tax liabilities	34	229,307,193	208,571,216	-	1,724,471
Provision for long-term employee benefits	26	310,490,975	257,216,525	102,093,143	77,078,022
Provision for decommissioning	27	135,061,973	116,691,722	-	-
Other non-current liabilities		13,565,121	16,907,306	13,333,172	14,394,208
Total non-current liabilities		8,316,780,238	9,335,509,416	5,980,663,908	6,807,987,986
Total liabilities		13,445,978,027	13,027,774,793	8,166,021,882	7,743,039,095

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 2019

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
1,350,000,000 ordinary shares of Baht 1 each		<u>1,350,000,000</u>	<u>1,350,000,000</u>	<u>1,350,000,000</u>	<u>1,350,000,000</u>
Issued and 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	28	970,000,000	970,000,000	970,000,000	970,000,000
Retained earnings					
Appropriated - statutory reserve	29	158,080,000	158,080,000	158,080,000	158,080,000
Unappropriated		11,160,000,478	10,293,247,029	4,967,562,661	4,781,577,785
Other component of shareholders' equity		<u>32,238,244</u>	<u>130,824,299</u>	-	-
Equity attributable to company's shareholders		13,670,318,722	12,902,151,328	7,445,642,661	7,259,657,785
Non-controlling interests of the subsidiaries		<u>473,303,829</u>	<u>517,523,687</u>	-	-
Total shareholders' equity		<u>14,143,622,551</u>	<u>13,419,675,015</u>	<u>7,445,642,661</u>	<u>7,259,657,785</u>
Total liabilities and shareholders' equity		<u>27,589,600,578</u>	<u>26,447,449,808</u>	<u>15,611,664,543</u>	<u>15,002,696,880</u>

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 2019

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
Note		2019	2018	2019	2018
Revenues					
		8,438,557,191	9,363,988,641	2,316,736,264	2,477,310,948
		12,184,187,845	11,898,995,283	-	-
		114,612,529	114,612,529	50,333,333	50,333,333
	6, 12, 13	-	-	1,009,676,192	1,248,857,930
	30	<u>553,691,302</u>	<u>390,557,450</u>	<u>353,211,561</u>	<u>322,989,910</u>
Total revenues		<u>21,291,048,867</u>	<u>21,768,153,903</u>	<u>3,729,957,350</u>	<u>4,099,492,121</u>
Expenses					
		5,488,105,760	5,911,810,337	1,562,982,121	1,644,855,642
		6,700,575,006	6,456,500,925	-	-
		845,816,105	851,316,758	270,130,869	280,823,298
		<u>5,981,954,141</u>	<u>5,666,233,472</u>	<u>684,362,663</u>	<u>800,366,134</u>
Total expenses		<u>19,016,451,012</u>	<u>18,885,861,492</u>	<u>2,517,475,653</u>	<u>2,726,045,074</u>
Profit before share of profit from investments in associate and joint ventures, finance cost and income tax expenses					
		2,274,597,855	2,882,292,411	1,212,481,697	1,373,447,047
Share of profit from investments in associate and joint ventures					
	12, 14	<u>29,399,568</u>	<u>35,387,776</u>	-	-
Profit before finance cost and income tax expenses		<u>2,303,997,423</u>	<u>2,917,680,187</u>	<u>1,212,481,697</u>	<u>1,373,447,047</u>
Finance cost	33	<u>(214,021,422)</u>	<u>(204,614,887)</u>	<u>(185,331,279)</u>	<u>(169,002,658)</u>
Profit before income tax expenses		<u>2,089,976,001</u>	<u>2,713,065,300</u>	<u>1,027,150,418</u>	<u>1,204,444,389</u>
Income tax income (expenses)	34	<u>(280,803,934)</u>	<u>(438,776,200)</u>	<u>36,323,992</u>	<u>(22,977,417)</u>
Profit for the year		<u>1,809,172,067</u>	<u>2,274,289,100</u>	<u>1,063,474,410</u>	<u>1,181,466,972</u>

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 2019

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
Note	2019	2018	2019	2018
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	(122,302,557)	11,857,380	-	-
Gain (loss) on changes in value of available-for-sale investments	21,425	(275,742)	-	-
Less: Income tax effect	34 (4,285)	55,148	-	-
	17,140	(220,594)	-	-
Other comprehensive income reclassified or to be reclassified to profit or loss in subsequent periods	(122,285,417)	11,636,786	-	-
<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	34 -	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	(122,285,417)	(5,854,414)	-	(3,470,716)
Total comprehensive income for the year	1,686,886,650	2,268,434,686	1,063,474,410	1,177,996,256
Profit attributable to:				
Equity holders of the Company	1,744,242,983	2,177,612,186	1,063,474,410	1,181,466,972
Non-controlling interests of the subsidiaries	64,929,084	96,676,914		
	1,809,172,067	2,274,289,100		
Total comprehensive income attributable to:				
Equity holders of the Company	1,645,656,928	2,171,268,615	1,063,474,410	1,177,996,256
Non-controlling interests of the subsidiaries	41,229,722	97,166,071		
	1,686,886,650	2,268,434,686		
Earnings per share				
Profit attributable to equity holders of the Company (Baht)	35 1.29	1.61	0.79	0.88
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 2019

	Consolidated financial statements											(Unit: Baht)
	Equity attributable to parent's shareholders											
	Other components of equity											
	Other comprehensive income											
	Exchange											
							</					

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 2019

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												
Unappropriated												
Retained earnings												
Appropriated -												
statutory reserve												
Share capital	Share premium	158,080,000	10,293,247,029	(13,247,678)	649,977	143,422,000	130,824,299	12,902,151,328	517,523,887	13,419,675,015		
issued and												
fully paid												
1,350,000,000	970,000,000	158,080,000	10,293,247,029	(13,247,678)	649,977	143,422,000	130,824,299	12,902,151,328	517,523,887	13,419,675,015		
-	-	-	1,744,242,983	-	-	-	-	1,744,242,983	64,929,084	1,809,172,067		
-	-	-	-	(98,603,195)	17,140	-	(98,586,055)	(98,586,055)	(23,689,362)	(122,285,417)		
-	-	-	1,744,242,983	(98,603,195)	17,140	-	(98,586,055)	1,645,686,928	41,229,722	1,686,886,650		
-	-	-	(877,489,534)	-	-	-	-	(877,489,534)	-	(877,489,534)		
-	-	-	-	-	-	-	-	-	(85,449,580)	(85,449,580)		
1,350,000,000	970,000,000	158,080,000	11,160,000,478	(111,850,873)	667,117	143,422,000	32,238,244	13,670,318,722	473,303,829	14,143,622,551		
Balance as at 31 December 2019												

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 2019

Separate financial statements						(Unit: Baht)
Share capital issued and fully paid	Retained earnings			Total		
	Share premium	Appropriated - statutory reserve	Unappropriated	shareholders' equity		
1,350,000,000	970,000,000	158,080,000	4,413,551,064	6,891,631,064		
-	-	-	1,181,466,972	1,181,466,972		
-	-	-	(3,470,716)	(3,470,716)		
-	-	-	1,177,996,256	1,177,996,256		
-	-	-	(809,969,535)	(809,969,535)		
1,350,000,000	970,000,000	158,080,000	4,781,577,785	7,259,657,785		

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 2019

	Separate financial statements				(Unit: Baht)	
	Share capital issued and fully paid	Retained earnings		Total shareholders' equity		
		Share premium	Appropriated -			
			statutory reserve			Unappropriated
Balance as at 1 January 2019	1,350,000,000	970,000,000	158,080,000	4,781,577,785	7,259,657,785	
Profit for the year	-	-	-	1,063,474,410	1,063,474,410	
Other comprehensive income for the year	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	1,063,474,410	1,063,474,410	
Dividends to owners of the Company (Note 36)	-	-	-	(877,489,534)	(877,489,534)	
Balance as at 31 December 2019	1,350,000,000	970,000,000	158,080,000	4,967,562,661	7,445,642,661	

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 2019

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	2,089,976,001	2,713,065,300	1,027,150,418	1,204,444,389
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	2,037,218,802	2,044,917,764	408,947,972	410,479,740
Allowance for doubtful accounts	2,024,721	1,178,029	(907,576)	470,886
Loss on disposals of buildings and equipment	113,244,604	94,056,803	16,747,445	19,556,779
Loss on write-off of intangible asset	1,335,435	1,235,356	8,174	4,222
Reduction cost of inventory to net realisable value (reversal)	1,736,269	(75,569)	-	-
Reversal of impairment of investment in an associate	-	-	(7,257,867)	(5,075,212)
Loss on impairment of investment in a subsidiary	-	-	-	1,250,000
Loss on impairment of loan to a related party	-	-	46,200,000	175,000,000
Share of profit from investments in an associate and joint ventures	(29,399,568)	(35,387,776)	-	-
Realisation of deferred income	(187,204,587)	(238,758,332)	(85,415,556)	(118,982,286)
Loss from discontinued branch (reversal)	520,151	(14,639,835)	-	-
Dividend income	-	-	(1,009,676,192)	(1,248,857,930)
Provision for long-term employee benefits	93,791,991	31,091,244	28,375,512	13,290,514
Interest income	(81,815,243)	(33,190,777)	(95,111,509)	(83,301,819)
Interest expense	214,021,422	204,614,887	185,331,279	169,002,658
Insurance claim	(101,154,779)	-	-	-
Profit from operating activities before changes in operating assets and liabilities	4,154,295,219	4,768,107,094	514,392,100	537,281,941
Operating assets (increase) decrease				
Trade and other current receivables	96,900,921	(4,577,333)	60,519,629	(167,077)
Insurance claim received	101,154,779	-	-	-
Inventories	(28,409,525)	(37,666,674)	(717,369)	(2,881,121)
Other current assets	(63,248,301)	31,785,413	1,002,767	37,158,790
Other non-current assets	29,818,202	(89,379,872)	(589,848)	(1,910,540)
Operating liabilities increase (decrease)				
Trade and other current payables	(126,161,596)	(75,823,944)	(22,006,171)	40,049,571
Other current liabilities	43,339,905	(28,693,564)	(6,824,499)	(29,425,271)
Deferred income	17,938,268	99,630,360	10,223,989	65,358,315
Cash paid for employee benefits	(40,517,541)	(25,379,284)	(3,360,391)	(7,623,215)
Decommissioning paid	(6,423,044)	(5,102,621)	-	-
Other non-current liabilities	(3,342,185)	(1,421,116)	(1,061,036)	(1,215,887)
Cash from operating activities	4,175,345,102	4,631,478,459	551,579,171	636,625,506
Cash received from withholding tax refundable	19,722,213	-	15,796,403	-
Cash paid for corporate income tax expenses	(381,800,981)	(418,401,827)	(11,256,139)	(13,531,729)
Net cash from operating activities	3,813,266,334	4,213,076,632	556,119,435	623,093,777

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 2019

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Decrease (increase) in current investments	110,750,460	(800,646,862)	-	-
Interest income	39,942,789	21,182,377	95,111,509	83,301,819
Cash received from repayment of loans to related parties	-	-	3,970,556,592	3,351,907,689
Increase in loans to related parties	-	-	(4,531,279,826)	(2,962,558,869)
Increase in investment and loan to a joint venture	(559,136,565)	(297,195,788)	-	-
Cash received from repayment of loans to other parties	-	7,464,440	-	-
Proceeds from disposals of buildings and equipment	8,222,024	4,625,967	904,250	451,723
Cash paid for property, plant and equipment	(1,963,978,397)	(1,344,615,296)	(241,597,411)	(146,390,062)
Cash paid for leasehold rights	(179,329,917)	(183,285,277)	(131,880,000)	(124,980,748)
Cash paid for intangible assets	(86,054,424)	(110,014,582)	(2,356,295)	(4,740,898)
Proceeds from redemption of investment in property fund	16,753,916	4,054,675	16,753,916	4,054,675
Dividend received from subsidiaries	-	-	1,052,932,320	947,529,880
Dividend received from an associate	23,744,177	24,328,050	23,744,177	24,328,050
Decrease (increase) in prepayment for construction	(4,630,781)	4,928,102	-	749,609
Increase share capital of a subsidiary	-	-	(330,000,000)	(141,000,000)
Net cash from (used in) investing activities	(2,593,716,718)	(2,669,174,194)	(77,110,768)	1,032,652,868
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	431,234,589	(20,281,404)	-	-
Cash paid for interest expense	(210,119,099)	(205,888,367)	(182,748,480)	(165,354,882)
Dividends paid to owners of the Company	(877,489,534)	(809,969,535)	(877,489,534)	(809,969,535)
Decrease in non-controlling interests of subsidiaries				
from dividend payment of subsidiaries	(85,449,580)	(97,160,260)	-	-
Repayment of long-term loans from other related parties	-	(8,660,435)	-	-
Cash received from debentures	600,000,000	-	600,000,000	-
Repayments of debentures	-	(700,000,000)	-	(700,000,000)
Increase in short-term loans from personnel or related parties	-	-	2,224,071,114	1,885,850,806
Cash paid to short-term loans from personnel or related parties	-	-	(2,118,264,788)	(2,744,377,409)
Increase in long-term loans from financial institutions	572,928,164	1,086,395,798	385,884,959	997,217,447
Repayments of long-term loans from financial institutions	(894,260,647)	(235,950,254)	(586,268,000)	-
Net cash used in financing activities	(463,156,107)	(991,514,457)	(554,814,729)	(1,536,633,573)
Increase (decrease) in translation adjustments	(14,234,721)	27,740,430	-	-
Net increase (decrease) in cash and cash equivalents	742,158,788	580,128,411	(75,806,062)	119,113,072
Cash and cash equivalents at beginning of year	1,281,542,645	701,414,234	139,810,991	20,697,919
Cash and cash equivalents at end of year	2,023,701,433	1,281,542,645	64,004,929	139,810,991

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 2019

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Supplement disclosure of cash flows information				
Non-cash transactions				
Accounts payable for acquisition of buildings and equipment	236,807,015	221,346,584	4,050,946	7,281,620
Dividend receivable	-	-	209,999,695	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 2019****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) (2018: 61.9% 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	
			2019 Percent	2018 Percent
Central Samui Beach Resort Co., Ltd.	Hotel	Thailand	100	100
Central Karon Village Co., Ltd.	Hotel	Thailand	100	100
Central Krabi Bay Resort Co., Ltd.	Hotel	Thailand	100	100
Central Hua Hin Beach Resort Co., Ltd.	Hotel	Thailand	63.9	63.9
Central World Hotel Co., Ltd.	Hotel	Thailand	100	100
Central Koh Kood Hotel Co., Ltd.	Not operate yet	Thailand	100	100
Central Hotel Management Co., Ltd.	Holding company	Thailand	100	100
Central Restaurants Group Co., Ltd.	Food and beverage	Thailand	100	100
Triplenine Décor Co., Ltd.	Not operate yet	Thailand	100	100
Central Samui Hotel Management Co., Ltd.	Hotel	Thailand	100	100
Centara International Management Co., Ltd.	Holding company and hotel management	Thailand	100	100
S.P. Realty Had Farang Resort Co., Ltd.	Not operate yet	Thailand	100	100
S.P. Realty Pattaya Beach Co., Ltd.	Not operate yet	Thailand	100	100
Refresh Zone Co., Ltd.	Spa	Thailand	100	100
Central Bangkok Convention & Exhibition Co., Ltd.	Not operate yet	Thailand	100	100
Centara International Management (Thailand) Co., Ltd.	Hotel management	Thailand	100	100
Karon Phuket Hotel Co., Ltd.	Hotel	Thailand	99.3	99.3
Cosi Hotel Co., Ltd.	Hotel	Thailand	100	100
Centara Import-Export Co., Ltd.	Import and export	Thailand	100	100
Cosi Hotel Management Co., Ltd.	Not operate yet	Thailand	100	100
Centara Loyalty Marketing Co., Ltd.	Offer privileges for customers	Thailand	100	100
Centara Learning Centre Co., Ltd.	Learning centre	Thailand	100	100
Kata Phuket Hotel Co., Ltd.	Hotel	Thailand	99	99
Centara Management Headquarter Limited	Hotel management	Thailand	100	100
Central South Pattaya Limited	Not operate yet	Thailand	100	-

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			<u>2019</u> Percent	<u>2018</u> 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
Central Restaurants Group (HK) Limited	Holding company	Hong Kong Special Administrative Region of the People's Republic of China	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
Centara Singapore Private Limited	Holding company	Singapore	100	-
<u>Investment through Centara Capital Limited</u>				
Lagoon Assets Private Limited	Not operate yet	Maldives	100	100
Centara Lagoon Private Limited	Not operate yet	Maldives	100	-
<u>Investment through Centara Singapore Private Limited</u>				
Centara Japan Capital Godo Kaisha	Holding company	Japan	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 Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries, 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 Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations 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 adoption of these financial reporting standards does not have any significant impact on the Groups' financial statements. However, the new standard involves changes to key principles, which are 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 recognised 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.

This standard does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments 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 Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

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

4. Significant accounting policies

4.1 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.

Revenue from management of loyalty programme

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

Revenues from food and beverage

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

Rental income

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

Management fee income

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

Interest income

Interest income is 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.

4.2 Cash and cash equivalents

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

4.3 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.

4.4 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.

4.5 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 less allowance for loss on impairment (if any).

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 Group 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.

4.6 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.

4.7 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 expensed 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.

4.8 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.

4.9 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.

4.10 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

4.11 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.

4.12 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.

4.13 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.

4.14 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.

4.15 Impairment of assets

At the end of each reporting period, the Group 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 Group 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 Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

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

Defined benefit plans

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

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

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

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

4.17 Provisions

Provisions are recognised when the Group 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.

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

4.19 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 Group 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 Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Impairment of investments

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

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 the Group will have taxable profit that 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.

6. Related party transactions

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Rental income	-	-	2,930	2,930	Contractually agreed prices
Interest income	-	-	91,905	79,139	Bank interest rate
Management fee income	-	-	179,109	199,663	Contractually agreed prices
Income from loan guarantee	-	-	6,989	9,356	Contractually agreed prices
Dividend income	-	-	985,932	1,224,530	Dividend announcement
Interest expense	-	-	18,704	19,967	Bank interest rate
Other expenses	-	-	5,665	5,177	Agreed prices
Rental expense	-	-	6,974	6,974	Contractually agreed prices
Management fee expense	-	-	147,279	158,387	Contractually agreed prices
<u>Transactions with associated companies</u>					
Rental income	100,333	100,333	50,333	50,333	Contractually agreed prices
Dividend income	23,744	24,328	23,744	24,328	Dividend announcement
Rental expense	183,546	183,546	-	-	Contractually agreed prices
<u>Transactions with related companies</u>					
Rental income	14,279	14,279	-	-	Contractually agreed prices
Management fee income	9,234	13,747	-	-	Contractually agreed prices
Other income	16,568	18,157	-	-	Agreed prices
Rental expense	708,293	659,276	131,512	124,411	Contractually agreed prices
Electricity expense	37,200	36,500	37,200	36,500	Contractually agreed prices
Management fee expense	33,982	32,803	15,315	14,586	Contractually agreed prices
Finance and accounting service expense	32,540	30,772	-	-	Contractually agreed prices
Other service fees	17,492	19,960	-	-	Agreed prices

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade and other receivables - related parties (Note 9)				
Subsidiaries	-	-	37,257	34,142
Related companies (related by common directors)	20,081	21,549	4,512	3,132
Total trade and other receivables - related parties	20,081	21,549	41,769	37,274
Dividend receivables - related parties				
Subsidiaries	-	-	210,000	277,000
Total dividend receivables - related parties	-	-	210,000	277,000
Trade and other payables - related parties (Note 22)				
Subsidiaries	-	-	22,028	12,398
Related companies (related by common directors)	10,019	4,938	-	84
Total trade and other payables - related parties	10,019	4,938	22,028	12,482

Loans to related parties

As at 31 December 2019 and 2018, the balance of short-term and long-term loans to related parties and the movements are as follows:

Loans to related parties	Interest rate		Consolidated		Separate	
	2019	2018	financial statements		financial statements	
	2019	2018	2019	2018	2019	2018
(Percent per annum)						
Short-term loans						
Subsidiaries	3.0	3.0	-	-	471,103	322,824
Long-term loans						
Subsidiaries	3.0	3.0	-	-	2,505,421	2,139,177
Total			-	-	2,976,524	2,462,001

Movements during the years ended 31 December 2019 and 2018 of loans to related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Loans to related parties				
Subsidiaries				
At 1 January	-	-	2,660,501	3,049,850
Increase	-	-	4,531,280	2,962,559
Decrease	-	-	(3,970,557)	(3,351,908)
Total	-	-	3,221,224	2,660,501
Less: Allowance for doubtful debts	-	-	(244,700)	(198,500)
At 31 December	-	-	2,976,524	2,462,001

Loans from related parties

As at 31 December 2019 and 2018, the balance of short-term and long-term loans from related parties are as follows:

Loans from related parties	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
			financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Percent per annum)					
Short-term loans						
Subsidiaries	1.65 - 3.0	1.4 - 3.0	-	-	520,180	414,373
Long-term loans						
Other related parties	3.0	3.0	52,329	52,329	-	-
Total			52,329	52,329	520,180	414,373

Movements during the years ended 31 December 2019 and 2018 of loans from related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term loans				
Subsidiaries				
At 1 January	-	-	414,373	1,272,900
Increase	-	-	2,224,071	1,885,850
Decrease	-	-	(2,118,264)	(2,744,377)
At 31 December	-	-	520,180	414,373
Long-term loans				
Other related parties				
At 1 January	52,329	60,989	-	-
Decrease	-	(8,660)	-	-
At 31 December	52,329	52,329	-	-

Loans from related parties

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

Significant agreements with related parties

Long-term lease agreements

The Company

Centara Grand at Central Plaza Ladprao Bangkok

Under the terms of a reciprocal agreement entered into with Central International Development Co., Ltd. ("CID") who entered into long-term land lease agreement with State Railway of Thailand ("SRT"), the Company was granted the right to construct a hotel building on the sublease property from CID and to operate the hotel for the Company's benefits up to 18 December 2008. This agreement 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 2019, the balance of deferred income was Baht 937 million (2018: Baht 987 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 2019, the balance of deferred income was Baht 943 million (2018: Baht 993 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 2019, CWH recorded rental expense of Baht 40.2 million (2018: Baht 38.3 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 2019, COSI has recorded rental expense of Baht 2.3 million (2018: Baht 2.1 million).

On 5 April 2019, Cosi Hotel Co., Ltd. (“COSI”) entered into a 30-year land sublease agreement with Ploenruedee Co., Ltd. to develop Cosi Hotel, Tha Phae. COSI is required to pay a consideration of Baht 15.0 million and records the prepayment as leasehold right in the consolidated statement of financial position. In addition, COSI agrees to pay the sublease fee and management fee over the sublease term in accordance with the agreement totaling Baht 135.5 million. During the year ended 31 December 2019, COSI has recorded the lease expense of Baht 0.7 million.

Future minimum lease payments under non-cancellable leases of the Group

As at 31 December 2019 and 2018, the future minimum lease payments under non-cancellable leases were payable as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
In up to 1 year	870	780	140	132
In over 1 year and up to 5 years	1,895	1,693	648	612
In over 5 years	3,778	4,060	596	772
Total	6,543	6,533	1,384	1,516

Long-term service agreements**The Company**

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

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

On 1 July 2016, the Company entered into 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 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.

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 2018 and 26 November 2017 to 31 December 2018, respectively. The agreement is automatically renewable annually every year. Subsequently, on 1 November 2019, the Company renewed the service agreement with Centara Management Headquarters Limited. The agreement is effective from 1 January 2019 to 31 December 2020. The Company agrees to pay service fee at the rate specified in the agreement. The agreement is automatically renewable annually every year.

The Subsidiaries

Central Sukhontha Hotel Co., Ltd. ("CHY") has entered into a rental and services agreement with Central Department Store Co., Ltd. for a period of 30 years ending on 31 May 2024. Central Department Store Co., Ltd. agreed to lease part of CHY's building as a shopping center. Total income to CHY throughout the agreement is approximately Baht 428 million. As at 31 December 2019, the balance of deferred income was Baht 69.0 million (31 December 2018: Baht 83.3 million) in the consolidated financial statements.

On 31 January 2012, Central Restaurants Group Co., Ltd. ("CRG") 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 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 Harn 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. Subsequently, on 1 July 2019, CRG renewed the service agreement with Harn Central Department Store Co., Ltd. The agreement is effective from 1 January 2019 to 31 December 2020. CRG agrees to pay service fee at Baht 77,000 per month.

On 17 April 2017, Central Restaurants Group Co., Ltd. ("CRG") entered into a service agreement with Harn Central Department Store Co., Ltd., commencing from 1 October 2016 to 31 December 2021, in order to receive finance and accounting service. The agreement is automatically renewable for 3 years each. CRG agreed to pay service fee based on specified in the agreement with a 5.7 percent increase of service fee every year.

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

Long-term lease and service agreements

Central Restaurants Group Co., Ltd. ("CRG") 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	
	2019	2018
Operating lease commitments (only fixed rental and service fees and minimum lease payment)		
In up to 1 year	466	394
In over 1 year and up to 5 years	350	228
In over 5 years	22	24
Total	838	646

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated financial statements and separate financial statements			
	2019	2018	2019	2018
Short-term employee benefits	100	84	100	84
Post-employment benefits	3	2	3	2
Total	103	86	103	86

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	95,317	99,252	1,516	1,714
Cash at banks - current accounts	420,210	732,788	62,489	138,097
Cash at banks - savings accounts	502,454	219,368	-	-
Fixed deposits with maturity less than three-month	1,005,720	230,135	-	-
Total	2,023,701	1,281,543	64,005	139,811

As at 31 December 2019, bank deposits carried interests between 0.13 and 1.55 percent per annum (2018: between 0.13 and 1.40 percent per annum).

8. Current investments

As at 31 December 2019 and 2018, the Company had current investments in trading securities as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Fixed deposits with maturity within six-month	787,939	898,690
Total	787,939	898,690

As at 31 December 2019, fixed deposits carried interests between 1.45 and 1.80 percent per annum (2018: between 1.50 and 1.75 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade accounts receivable - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	241,512	280,978	51,969	68,074
Past due				
Not over 3 months	62,006	96,717	16,699	20,462
3 - 6 months	9,989	18,054	313	61
6 - 12 months	3,069	18,559	85	12,928
Over 12 months	11,434	11,989	4,158	762
Total trade accounts receivable - unrelated parties	328,010	426,297	73,224	102,287
Less: Allowance for doubtful debts	(14,689)	(12,664)	(4,074)	(4,981)
Total trade accounts receivable - unrelated parties, net	313,321	413,633	69,150	97,306
Trade accounts receivable - net	313,321	413,633	69,150	97,306
Other receivables				
Other receivables - related parties	20,081	21,549	41,769	37,274
Other receivables - unrelated parties	358,764	347,723	21,677	57,316
Prepaid expenses	71,202	73,404	22,299	22,611
Prepayment purchase of goods	1,136	7,120	-	-
Total other receivables	451,183	449,796	85,745	117,201
Total trade and other receivables - net	764,504	863,429	154,895	214,507

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

10. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Food and beverage	76,072	80,233	17,213	16,798
Raw materials	488,794	489,959	-	-
Work in process	18,994	5,829	-	-
Finished goods	8,421	7,972	-	-
Operating supplies	268,741	248,562	10,943	10,515
Others	14,737	14,795	1,241	1,367
	875,759	847,350	29,397	28,680
Less: Allowance for obsolete stock	(4,267)	(2,531)	-	-
Net	871,492	844,819	29,397	28,680

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

- Cost	5,155,621	5,116,590	290,594	311,887
- Write-down to net realisable value (reversal of)	1,736	(76)	-	-
Net	5,157,357	5,116,514	290,594	311,887

11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Withholding income tax and value added tax receivable	154,972	118,049	26,516	30,823
Undue input tax	57,651	42,394	2,515	3,833
Others	961	350	138	-
Total other current assets	213,584	160,793	29,169	34,656

12. Investment in an associate

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Associate				
At 1 January	533,619	526,615	527,635	526,614
Share of profit of investment in an associate	31,004	35,387	-	-
Unit redeemed	(16,754)	(4,055)	(16,754)	(4,055)
Dividend income	(23,744)	(24,328)	-	-
Allowance for loss on impairment decrease	-	-	7,258	5,076
At 31 December	<u>524,125</u>	<u>533,619</u>	<u>518,139</u>	<u>527,635</u>

There were no acquisition and disposal of investment in an associate during the year ended 31 December 2019.

Investment in an associate as at 31 December 2019 and 2018, and dividend income for the years 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			(Percent)	(Percent)						
Centara Hotels & Resorts	Property fund	Thai	25.3	25.3	2,978,368	3,044,480	753,937	770,691	524,125	533,619
Leasehold Property Fund									23,744	24,328
Total					753,937	770,691	753,937	770,691	524,125	533,619

As at 31 December 2019, the closing price of Centara Hotels & Resorts Leasehold Property Fund was Baht 5.70 (2018: Baht 4.72). The fair value of investment in Centara Hotels & Resorts Leasehold Property Fund was Baht 462 million (2018: Baht 383 million).

Company's name	Natures of business	Country of incorporation	Separate financial statements								(Unit: Thousand Baht)	
			Shareholding percentage		Paid-up capital		Cost		Allowance for impairment of investments		Carrying amounts based on equity method	
			2019 (Percent)	2018 (Percent)	2019	2018	2019	2018	2019	2018	2019	2018
Centara Hotels & Resorts Leasehold Property Fund	Property fund	Thai	25.3	25.3	2,978,368	3,044,480	753,937	770,691	(235,798)	(243,066)	518,139	527,635
											23,744	24,328
Total							753,937	770,691	(235,798)	(243,066)	518,139	527,635
											23,744	24,328

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

13. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		Dividend received during the years	
	2019	2018	2019 (Percent)	2018 (Percent)	2019	2018	2019	2018	2019	2018	2019	2018
Direct subsidiaries												
Central Samui Beach Resort Co., Ltd.	670,000	670,000	100	100	814,383	814,383	-	-	814,383	814,383	174,200	194,300
Central Karon Village Co., Ltd.	37,500	37,500	100	100	76,500	76,500	-	-	76,500	76,500	10,500	9,375
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	94,648	112,395
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	210,000	277,000
Triplenine 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	37,500	187,500
S.P. Realty Had Farang Resort Co., Ltd.	88,500	88,500	100	100	88,500	88,500	-	-	88,500	88,500	-	-
S.P. Realty Pattaya Beach Co., Ltd.	80,000	80,000	100	100	80,000	80,000	-	-	80,000	80,000	-	-
Refresh Zone Co., Ltd.	1,000	1,000	100	100	1,000	1,000	(1,000)	(1,000)	-	-	-	-

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Cost - net		(Unit: Thousand Baht) Dividend received during the years	
	2019	2018	2019 (Percent)	2018 (Percent)	2019	2018	2019	2018	2019	2018	2019	2018
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	9,000	-
Karon Phuket Hotel Co., Ltd.	520,000	520,000	99.3	99.3	479,187	479,187	-	-	479,187	479,187	82,624	77,460
Cosi Hotel Co., Ltd.	500,000	171,000	100	100	500,000	171,000	-	-	500,000	171,000	-	-
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	12,500
Centara Learning Centre Co., Ltd.	2,500	2,500	100	100	2,500	2,500	-	-	2,500	2,500	-	-
Kata Phuket Hotel Co., Ltd.	120,000	120,000	99	99	170,000	170,000	-	-	170,000	170,000	23,760	29,700
Centara Management Headquarter Limited	210,000	210,000	100	100	210,000	210,000	-	-	210,000	210,000	331,200	324,300
Central South Pattaya Co., Ltd.	1,000	-	100	-	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 years	
	2019	2018	2019 (Percent)	2018 (Percent)	2019	2018	2019	2018	2019	2018	2019	2018
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. Really Lanta Beach Co., Ltd.	36,000	36,000	100	100	-	-	-	-	-	-	-	-
Centara Maldives Pvt. Ltd.	797,223	797,223	75	75	-	-	-	-	-	-	-	-
R.M.L. Leisure Pvt. Ltd.	483,886	483,886	74	74	-	-	-	-	-	-	-	-
Centara (Shanghai) Hotel Management Co., Ltd.	65,696	62,257	100	100	-	-	-	-	-	-	-	-
CIM for Hotel Management Egypt, S.A.E.	577	577	100	100	-	-	-	-	-	-	-	-
Centara Capital Limited	782,434	74,807	100	100	-	-	-	-	-	-	-	-
Lagoon Assets Private Limited	1,070	1,070	100	100	-	-	-	-	-	-	-	-
Centara Singapore Private Limited	30,285	-	100	-	-	-	-	-	-	-	-	-
Centara Lagoon Private Limited	-	-	100	-	-	-	-	-	-	-	-	-
Centara Japan Capital Godo Kaisha	-	-	100	-	-	-	-	-	-	-	-	-
Central Restaurants Group (HK) Limited	-	-	100	-	-	-	-	-	-	-	-	-
Total	6,233,582	5,903,582			6,233,582	5,903,582	(2,250)	(2,250)	6,231,332	5,901,332	985,932	1,224,530

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

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the years		Dividend paid to non-controlling interests during the years	
	2019 (Percent)	2018 (Percent)	2019	2018	2019	2018	2019	2018
<u>Subsidiary directly held by the Company</u>								
Central Hua Hin Beach Resort Co., Ltd.	36.05	36.05	79,728	94,261	38,820	48,037	(62,564)	(63,355)
<u>Subsidiary companies held by Centara International Management Co., Ltd.</u>								
Centara Maldives Pvt. Ltd.	25.00	25.00	218,342	234,857	31,166	34,085	(31,282)	(32,965)
R.M.L. Leisure Pvt. Ltd.	26.00	26.00	37,500	50,482	(5,682)	13,640	-	-

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

Summarised information about financial position

	Central Hua Hin Beach Resort Co., Ltd.						Other individually immaterial subsidiaries				Total	
	Centara Maldives Pvt. Ltd.		R.M.L. Leisure Pvt. Ltd.		Intra-group eliminations		2019		2018		2019	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Non-controlling interests percentage	36.05	36.05	25	25	26	26						
Current assets	258,267	276,382	183,702	229,480	108,684	171,186						
Non-current assets	84,946	104,472	988,099	1,182,884	1,006,916	1,210,344						
Current liabilities	(99,706)	(101,330)	(172,232)	(265,179)	(584,332)	(606,110)						
Non-current liabilities	(22,349)	(18,051)	(126,200)	(207,758)	(387,038)	(581,260)						
Net assets	<u>221,158</u>	<u>261,473</u>	<u>873,369</u>	<u>939,427</u>	<u>144,230</u>	<u>194,160</u>						
Carrying amount of non-controlling interests	79,728	94,261	218,342	234,857	37,500	50,482	7,179	7,356	130,568	130,568	473,317	517,524

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	
	2019		2018		2019		2018		2019		2018		2019		2018	
	(Unit: Thousand Baht)															
Revenue	630,273		632,856		729,219		760,327		750,406		866,635					
Profit (loss)	107,685		133,250		124,666		136,339		(21,852)		52,460					
Other comprehensive income	-		-		(65,597)		(2,432)		(28,077)		4,219					
Total comprehensive income	107,685		133,250		59,069		133,907		(49,929)		56,679					
Profit (loss) attributable to non-controlling interests	38,820		48,037		31,166		34,085		(5,682)		13,640		-		64,942	
Other comprehensive income attributable to non-controlling interests	-		-		(16,399)		(608)		(7,300)		1,097		-		(23,699)	
															489	

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	
	2019		2018		2019		2018		2019		2018		2019		2018	
	(Unit: Thousand Baht)															
Cash flows from operating activities	133,841		197,725		344,830		251,624		125,161		196,045					
Cash flows used in investing activities	11,445		(20,975)		(37,746)		(27,012)		(45,723)		(67,275)					
Cash flows used in financing activities	(148,000)		(175,050)		(273,075)		(261,416)		(114,585)		(155,154)					
Net increase (decrease) in cash and cash equivalents	(2,714)		1,700		34,009		(36,804)		(35,147)		(26,384)		-		(11,214)	
											10,088				(51,400)	

13.4 Changes in investments in subsidiaries held by the Group

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

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.

On 17 June 2019, the Company paid for the additional called-up ordinary shares of Baht 329 million to Cosi Hotel Co., Ltd. (subsidiary). As a result, the total paid-up share capital of the subsidiary as at 31 December 2019 is Baht 500 million.

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

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 Group. 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 Group. As at 31 December 2018, the indirect subsidiary of the Group had fully called up and received payment for the additional registered capital. Subsequently, on 11 October 2019, the subsidiary made another payment of Baht 3.4 million for 13 percent of called up of additional registered capital.

On 16 January 2019, the Board of Directors of Centara Management Headquarters Limited (subsidiary) passed a resolution approving an increase in the registered capital of Centara Capital Limited, an indirect subsidiary of the Company, with the subsidiary to additionally invested in 100 percent of the newly issued capital, amounting to Baht 707.63 million. The subsidiary made a full payment for the additional ordinary share capital in February 2019.

13.4.3 Establishment of new subsidiaries

Regarding the resolution of a subsidiary's Board of Directors meeting, the subsidiary established Centara Singapore Private Limited with the registered capital of USD 7 million, comprising 7 million ordinary shares of USD 1 each, in which the subsidiary holds 100 percent interest. This subsidiary registered its establishment with the Ministry of Commerce on 30 September 2019 and called for capital payment amounting to USD 1 million.

Regarding the resolution of the Company's Board of Directors, the Company established Central South Pattaya Co., Ltd. with the registered capital of Bath 1 million, comprising 0.1 million ordinary shares of Bath 10 each, in which the Company holds 100 percent interest. This subsidiary registered its establishment with the Ministry of Commerce on 1 October 2019 and called for capital payment amounting to Baht 1 million.

Regarding the resolution of a subsidiary's Board of Directors, the subsidiary established Central Restaurants Group (HK) Limited with the registered capital of HKD 1, in which the subsidiary holds 100 percent interest. This subsidiary registered its establishment with the Ministry of Commerce on 27 November 2019.

Regarding the resolution of a subsidiary's Board of Directors, the subsidiary established Centara Lagoon Private Limited with the registered capital of USD 10 million, comprising 10 million ordinary shares of USD 1 each, in which the subsidiary holds 100 percent interest. This subsidiary registered its establishment with the Ministry of Commerce on 8 December 2019.

Regarding the resolution of a subsidiary's Board of Directors, the subsidiary established Centara Japan Capital Godo Kaisha with the registered capital of JPY 100 million, in which the subsidiary holds 100 percent interest. This subsidiary registered its establishment with the Ministry of Commerce on 16 December 2019 and called for capital payment amounting to JPY 1,000.

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

For the purpose of impairment testing for investments in subsidiaries, the Group determined the recoverable amount based on its value in use, determined by discounting the future cash flows to be generated from the continuing operations of each subsidiary by reference to 5 - 34 years of financial budgeted forecasts.

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

14. Investment in joint ventures

14.1 Details of investment in joint ventures

Investment in joint ventures represent investment in entity which is jointly controlled by the Company and another company. Details of these 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
		2019	2018	2019	2018	2019	2018		
		(Percent)	(Percent)						
Nakheel CT Deira Islands Hotel- FZCO	Hotel	40	40	1,661	1,887	777,893	392,238	779,554	394,125
Green Food Factory Co., Ltd.	Food and beverage	51	-	135,622	-	-	-	135,622	-
Total				137,283	1,887	777,893	392,238	915,176	394,125

In 2016, Centara Capital Limited (a foreign 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.

In 2019, Central Restaurants Group Co., Ltd. (subsidiary) entered into a joint venture agreement and established Green Food Factory Co., Ltd. to operate food and beverage business in 2019. The subsidiary's shareholding was 51 percent of issued and paid-up capital 137 million. Any decision made on related activities must be approved by the joint ventures.

Loans to joint venture

On 28 September 2017, Centara Capital Limited (a foreign 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 2019 and 2018 of loans to joint venture were as follows:

	Interest rate		(Unit: Thousand Baht) Consolidate financial statement	
	2019 (Percent)	2018 (Percent)	2019	2018
Joint venture				
At 1 January			392,238	95,042
Addition	7.1 - 7.9	6.5 - 7.8	422,136	297,196
Effect on exchange rate			(36,481)	-
At 31 December			<u>777,893</u>	<u>392,238</u>

14.2 Share of comprehensive income

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

Joint ventures	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of loss from investment in joint ventures during the years	
	<u>2019</u>	<u>2018</u>
Nakheel CT Deira Islands Hotel- FZCO	(226)	-
Green Food Factory Co., Ltd.	(1,378)	-
Total	<u>(1,604)</u>	<u>-</u>

14.3 Summarised financial information about material joint ventures

Summarised information about financial position

	(Unit: Thousand Baht)	
	Nakheel CT Deira Islands Hotel- FZCO	
	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	443	139,531
Other receivables	204,143	859,231
Work in process	2,677,039	420,205
Other payables	(945,283)	(442,457)
Net assets	1,936,342	976,510
Shareholding percentage	40%	40%
Share of net assets	774,537	390,604
Elimination entries	-	-
Carrying amounts of joint venture based on equity method	<u>774,537</u>	<u>390,604</u>

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	Nakheel CT Deira Islands Hotel- FZCO	
	<u>2019</u>	<u>2018</u>
Other income	272	227
Administrative expenses	(829)	(64)
Finance cost	(9)	(2)
Profit (loss) for the years	(566)	161
Total comprehensive income for the years	(566)	161
Shareholding percentage	40%	40%
Share of loss for the years	(226)	-
Elimination entries	-	-
Share of loss from investment in joint venture for the years	<u>(226)</u>	<u>-</u>

Summarised information about financial position

	(Unit: Thousand Baht)	
	Green Food Factory Co., Ltd.	
	<u>2019</u>	
Cash and cash equivalents	38,362	
Other receivables	2,683	
Inventories	3,726	
Other current assets	676	
Equipment and work in process	29,422	
Other non-current assets	4,566	
Other payables	(14,337)	
Other current liabilities	(3,080)	
Net assets	62,018	
Shareholding percentage	51%	
Share of net assets	31,629	
Elimination entries	-	
Carrying amounts of joint venture based on equity method	<u>31,629</u>	

Summarised information about comprehensive income

	(Unit: Thousand Baht)
	For the years ended 31 December
	Green Food Factory Co., Ltd.
	<u>2019</u>
Revenues	13,737
Cost of sales	(7,820)
Administrative expense	(8,619)
Loss for the year	(2,702)
Total comprehensive income for the year	(2,702)
Shareholding percentage	51%
Share of loss for the year	(1,378)
Elimination entries	-
Share of loss from investment in joint venture for the year	(1,378)

15. Investment properties

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u>2019</u>	<u>2018</u>
Cost		
At 1 January	267,560	267,560
At 31 December	267,560	267,560
Accumulated depreciation		
At 1 January	(120,671)	(117,515)
Depreciation charge for the year	(3,155)	(3,156)
At 31 December	(123,826)	(120,671)
Net book value		
At 1 January	146,889	150,045
At 31 December	143,734	146,889

The fair value of investment properties in consolidated and separate financial statements as at 31 December 2019 of Baht 1,287 million and Baht 1,002 million, respectively (2018: Baht 1,287 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 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.

16. Property, plant and equipment

	Consolidated financial statements										(Unit: Thousand Baht)
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress	Total	
Cost											
1 January 2018	2,418,572	757,768	16,604,702	6,924,195	3,278,089	491,742	824,015	215,703	275,718	31,790,504	
Additions	-	655	420,278	267,637	148,794	85,652	2,480	16,193	529,699	1,471,388	
Transfer in/(out)	-	28,190	59,571	53,025	16,083	16	25,925	3,115	(203,344)	(17,419)	
Disposals	-	-	(258,775)	(93,566)	(36,027)	(49,427)	(3,814)	(12,121)	(14,257)	(467,987)	
Effect of movements in exchange rates	-	(236)	(12,303)	(3,799)	(2,025)	(293)	(9,558)	(564)	(694)	(29,472)	
31 December 2018	2,418,572	786,377	16,813,473	7,147,492	3,404,914	527,690	839,048	222,326	587,122	32,747,014	
Additions	-	6,224	448,747	307,684	128,760	71,884	19,311	8,630	1,012,992	2,004,232	
Transfer in/(out)	-	3,265	215,689	149,735	90,080	109	70,732	1,250	(551,586)	(20,726)	
Disposals	-	(485)	(346,359)	(96,094)	(49,126)	(50,126)	(398)	(6,233)	(7,082)	(555,903)	
Effect of movements in exchange rates	-	(2,381)	(173,624)	(47,244)	(20,003)	(4,316)	-	(1,627)	18,715	(230,480)	
31 December 2019	2,418,572	793,000	16,957,926	7,461,573	3,554,625	545,241	928,693	224,346	1,060,161	33,944,137	

	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		
Accumulated depreciation and impairment losses										
1 January 2018	-	357,024	6,399,332	4,377,340	2,011,251	-	351,587	150,245	532	13,647,311
Depreciation for the year	-	29,769	856,330	452,867	214,978	-	49,174	13,761	-	1,616,879
Reversal of impairment losses	-	-	(10,485)	-	-	-	-	-	-	(10,485)
Transfer in/(out)	-	-	(1,039)	(567)	1,606	-	-	-	-	-
Disposals	-	-	(243,282)	(84,193)	(33,446)	-	(1,101)	(11,655)	-	(373,677)
Effect of movements in exchange rates	-	(37)	(4,425)	(1,323)	(1,034)	-	-	(82)	-	(6,901)
31 December 2018	-	386,756	6,996,431	4,744,124	2,193,355	-	399,660	152,269	532	14,873,127
Depreciation for the year	-	33,550	840,887	451,723	217,273	-	49,394	14,329	-	1,607,156
Impairment losses	-	-	23,391	-	151	-	-	-	-	23,542
Transfer in/(out)	-	-	811	(66)	(745)	-	-	-	-	-
Disposals/write-off	-	(382)	(315,371)	(91,671)	(47,004)	-	(398)	(4,847)	-	(459,673)
Effect of movements in exchange rates	-	(546)	(62,390)	(18,858)	(14,312)	-	15	(1,152)	-	(97,243)
31 December 2019	-	419,378	7,483,759	5,085,252	2,348,718	-	448,671	160,599	532	15,946,909
Net book value										
31 December 2018	2,418,572	399,621	9,817,042	2,403,368	1,211,559	527,690	439,388	70,057	586,590	17,873,887
31 December 2019	2,418,572	373,622	9,474,167	2,376,321	1,205,907	545,241	480,022	63,747	1,059,629	17,997,228
Depreciation for the year										
2018										1,616,879
2019										1,607,156

The gross amount of the Group' fully depreciated property, plant and equipment that was still in use as at 31 December 2019 amounted to Baht 6,793 million (2018: Baht 5,461 million).

Cost	Separate financial statements								(Unit: Thousand Baht)	
	Furniture, fixtures and									
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress		Total
1 January 2018	774,987	299,639	2,101,258	1,176,716	541,767	149,340	812,105	69,883	45,583	5,971,278
Additions	-	-	5,343	24,675	9,156	26,140	2,437	6,518	76,777	151,046
Transfer in/(out)	-	6,066	-	16,970	269	-	25,927	-	(50,032)	(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	72,328	6,093,930
Additions	-	1,847	3,837	34,528	7,753	20,914	19,310	-	152,024	240,213
Transfer in/(out)	-	3,265	8,087	16,086	12,472	-	70,733	-	(112,489)	(1,846)
Disposals/write-off	-	-	(138)	(13,723)	(2,635)	(15,358)	(398)	(1,270)	-	(33,522)
31 December 2019	774,987	310,817	2,118,387	1,251,103	566,673	164,384	926,300	74,261	111,863	6,298,775

	Separate financial statements										(Unit: Thousand Baht)
	Land	Land improvements	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Hotel operating equipment	Leasehold improvements	Vehicles	Construction in progress	Total	
Accumulated depreciation											
1 January 2018	-	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	
Depreciation for the year	-	15,445	39,132	72,292	32,568	-	48,977	3,379	-	211,793	
Disposals/write-off	-	-	(44)	(12,438)	(2,233)	-	(398)	(757)	-	(15,870)	
31 December 2019	-	165,013	469,949	745,758	434,591	-	446,350	58,311	-	2,319,972	
Net book value											
31 December 2018	774,987	156,137	1,675,740	528,308	144,827	158,828	438,884	19,842	72,328	3,969,881	
31 December 2019	774,987	145,804	1,648,438	505,345	132,082	164,384	479,950	15,950	111,863	3,978,803	
Depreciation for the year											
2018										219,907	
2019										211,793	

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2019 amounted to Baht 700 million (2018: Baht 295 million).

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

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

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

In respect to the hotel buildings, constructions and fixtures thereon of a subsidiary, Central World Hotel Co., Ltd. ("CWH"), the rights on buildings and constructions thereon which CWH repair and maintenance or construct on the sub-lease land will be transferred to the land owner, the Crown Property Bureau. As at 31 December 2019, the net book value of assets under sub-lease land agreement was Baht 1,868 million (2018: Baht 2,014 million).

17. Goodwill

Movements of the goodwill account during the years ended 31 December 2019 and 2018 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
Cost		
As at 1 January	314,602	314,602
As at 31 December	314,602	314,602

Goodwill arising from the acquisition of Central Restaurants Group Co., Ltd. and indirect interest in CRG International Food Co., Ltd. are Baht 115 million and Baht 199 million, respectively. The Group 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		CRG International	
	Group Co., Ltd.		Food Co., Ltd.	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Percent)	(Percent)	(Percent)	(Percent)
Growth rate				
Year 1 - 5	10 - 11	11 - 13	4 - 10	5 - 10
After year 5	-	-	-	-
Gross margin	64	64	70	69
Discount rate	9.9	10.7	9.9	10.7

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

18. Leasehold rights

A reconciliation of the net book value of leasehold rights as at 31 December 2019 and 2018 was presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
At 1 January	1,941,087	2,103,218	1,192,617	1,240,229
Additions	179,330	183,285	131,880	124,981
Effect of movements in exchange rates	(6,571)	(2,196)	-	-
Disposal	-	(2,025)	-	-
Amortisation charge for the year	(337,257)	(341,195)	(180,196)	(172,593)
At 31 December	<u>1,776,589</u>	<u>1,941,087</u>	<u>1,144,301</u>	<u>1,192,617</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.

19. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Computer software	License agreements	Deferred initial fees	Total
Cost				
1 January 2018	285,708	239,926	425,029	950,663
Additions	33,926	-	76,089	110,015
Transfer in	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	300,387	239,926	492,598	1,032,911
Additions	35,289	-	50,765	86,054
Transfer in	20,726	-	-	20,726
Write-off	(341)	-	(78,646)	(78,987)
Effect of movements in exchange rates	(1,408)	-	-	(1,408)
31 December 2019	354,653	239,926	464,717	1,059,296
Accumulated amortisation				
1 January 2018	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	214,486	175,946	206,466	596,898
Amortisation	18,522	23,993	42,740	85,255
Impairment loss from discontinued branches (reversal)	2,394	-	(179)	2,215
Accumulated amortisation of assets write-off	(304)	-	(77,348)	(77,652)
Effect of movement in exchange rates	(1,098)	-	-	(1,098)
31 December 2019	234,000	199,939	171,679	605,618
Net book value				
31 December 2018	85,901	63,980	286,132	436,013
31 December 2019	120,653	39,987	293,038	453,678

(Unit: Thousand Baht)

	Separate financial statements
	Computer software
Cost	
1 January 2018	91,051
Additions	3,944
Transfer in	797
Write-off	(28,923)
31 December 2018	66,869
Additions	510
Transfer in	1,846
Write-off	(272)
31 December 2019	68,953
Accumulated amortisation	
1 January 2018	80,762
Amortisation	5,059
Accumulated amortisation of assets write-off	(28,918)
31 December 2018	56,903
Amortisation	4,040
Write-off	(264)
31 December 2019	60,679
Net book value	
31 December 2018	9,966
31 December 2019	8,274

20. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deposits	547,430	585,215	5,762	5,139
Advance payment for construction	23,067	10,436	-	-
Prepaid for car park service	57,144	61,540	-	-
Accrued interest - loan to joint venture	53,881	12,008	-	-
Others	1,375	1,408	1,375	1,408
Total	682,897	670,607	7,137	6,547

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements	
	2019	2018	2019	2018
Bank overdrafts - unsecured	6.9	-	189	-
Short-term loans from financial institutions - secured	2.7 - 3.6	3.1 - 4.3	550,770	129,799
Total bank overdrafts and short-term loans from financial institutions			550,959	129,799

The borrowings include secured liabilities in the total amount of Baht 551 million (2018: Baht 130 million) in the consolidated financial statements. Loans from financial institutions are guaranteed by the Company and a director of the Company.

22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables - other parties	768,387	800,425	64,377	66,530
Amounts due to related parties	10,019	4,938	22,028	12,482
Other payables	87,750	88,050	33,565	29,091
Payables for purchase of buildings and equipment	236,807	221,347	4,051	7,282
Guest deposits	489,544	553,007	131,706	140,003
Accrued expenses	1,056,110	1,087,649	120,153	143,146
Total trade and other payables	2,648,617	2,755,416	375,880	398,534

23. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
Long-term loans from financial institutions						
Secured	2.2 - 5.3	2.5 - 4.9	882,746	1,121,877	-	-
Unsecured	1.7 - 4.8	2.38 - 4.81	1,351,176	1,491,834	1,291,451	1,491,834
Total			2,233,922	2,613,711	1,291,451	1,491,834
Less: Portion due within one year			(615,629)	(234,144)	(400,000)	-
Total Long-term loans from financial institutions, net of current portion			1,618,293	2,379,567	891,451	1,491,834

The borrowings include secured liabilities in the total amount of Baht 883 million (2018: Baht 1,122 million) in the consolidated financial statements. Loans from financial institutions are guaranteed by the Company and a director of the Company.

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

As at 31 December 2019, the Group had unutilised credit facilities totalling Baht 4,273 million and Baht 1,336 million, respectively (2018: Baht 3,583 million and Baht 1,866 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 2019, the stated loan was drawn down in the total amount of USD 25.7 million. The principal is payable in installment term on a three-month basis, starting from the 46th 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 2019, the outstanding balance of the aforesaid loan is USD 6.3 million (2018: USD 12.0 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-year 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 2019, the outstanding balance of the aforesaid loan is Baht 400 million (2018: Baht 400 million).
- c) In November 2018, the Company entered into a loan agreement with a local financial institution for a loan of Baht 700 million with a three-year 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 2019, the outstanding balance of the aforesaid loan is Baht 700 million (2018: 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 2016 with a quarterly repayable term within 10 years and 7 years respectively from the first draw down date. Such loan has an interest at the specified rate as well as terms and guaranteed by a director and the parent company and conditions to maintain financial ratios in the agreement. As at 31 December 2019, the outstanding loan is USD 10.6 million and USD 5.7 million respectively (2018: USD 13.4 million and USD 7.7 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 2019, the outstanding balance of the aforesaid loan is USD 4.8 million (2018: USD 9.8 million).
- f) 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 2019 in the amount of Baht 30 million and Baht 220.2 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 2019, the outstanding balance of the aforesaid loan is Baht 26.3 million and Baht 220.2 million (2018: Baht 30 million and Baht 89.2 million, respectively).

- g) A subsidiary entered into a loan agreement with a local financial institution for a credit line of Baht 630 million. The loan was drawn down in 2019 in the amount of Baht 59.7 million and repayable in quarterly installments within five years from the first drawdown date. The loan carried interest at the rate specified in the agreement, which was payable in every three months. The loan agreement conditions required the maintenance of financial ratios. As at 31 December 2019, the outstanding balance of the loan is Baht 59.7 million.

24. Debentures

	Interest rate (Percent)	Maturity date	(Unit: Thousand Baht) Consolidated and separate financial statements	
			2019	2018
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
No. 1/2019	2.44	31 October 2024	600,000	-
			4,880,000	4,280,000
Debentures due within one year			(800,000)	-
Debentures due after one year			4,080,000	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.

On 31 October 2019, the Company issued name - registered, unsubordinated and unsecured debentures of 600,000 units at a price of Baht 1,000 per unit, totaling Baht 600 million. The debentures have a term of 5 years which are due in 2024, carrying a fixed interest rate at 2.44 percent per annum. The interest is payable every 6 months. The debentures have subject to conditions regarding the maintenance of financial ratios.

25. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deposits	1,778	2,176	3	22
Retentions	57,390	36,642	5,959	9,269
Withholding tax and value added tax payables	208,447	185,457	28,489	31,984
Total other current liabilities	267,615	224,275	34,451	41,275

26. 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	
	2019	2018	2019	2018
Provision for long-term employee benefits at beginning of year	257,217	229,641	77,078	67,072
Included in profit or loss:				
Current service cost	27,563	25,714	9,176	11,820
Interest cost	8,072	5,377	2,242	1,471
Past service cost	58,157	-	16,957	-
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	(40,518)	(25,379)	(3,360)	(7,623)
Provision for long-term employee benefits at end of year	310,491	257,217	102,093	77,078

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 58 million (The Company only: Baht 17 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement of the current period.

The Group expect to pay Baht 42 million of long-term employee benefits during the next year (Separate financial statements: Baht 20 million) (2018: Baht 27 million, separate financial statements: Baht 13 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 10 years (Separate financial statements: 10 years) (2018: 10 years, Separate financial statements: 10 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Discount rate	2.90	2.90	2.90	2.90
Salary increase rate	5.00 - 8.00	5.00 - 8.00	5.00 - 8.00	5.00 - 8.00
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 2019 and 2018 are summarised below:

	(Unit: Million Baht)							
	Consolidated				Separate			
	financial statements				financial statements			
	Liability increase (decrease)				Liability increase (decrease)			
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
	2019	2018	2019	2018	2019	2018	2019	2018
Discount rate (1%)	(19)	(15)	22	17	(4)	(3)	4	3
Salary increase rate (1%)	22	17	(19)	(15)	4	3	(4)	(3)
Turnover rate (10%)	(18)	(15)	21	17	(4)	(3)	4	3

27. Provision for decommissioning

(Unit: Thousand Baht)

	Consolidated financial statements
At 1 January 2018	107,854
Provision made	13,940
Provision used	(5,102)
At 31 December 2018	116,692
Provision made	24,793
Provision used	(6,423)
At 31 December 2019	135,062

28. 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.

29. 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.

30. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Interest income	81,815	33,191	95,112	83,302
Management fee income	213,506	224,537	15,309	35,861
Service income	-	-	168,034	167,280
Insurance claim	101,155	-	-	-
Income from loan guarantee of subsidiaries	-	-	6,989	9,356
Rental and other services income	32,294	2,652	10,376	9,475
Subsidy	12,560	12,560	-	-
Sale of used oil	19,716	17,041	-	-
Others	92,645	100,576	57,392	17,716
Total other income	553,691	390,557	353,212	322,990

Insurance claim

Due to the political unrest in Bangkok in 2010, restaurants of one subsidiary and another subsidiary sustained fire damage. Losses totaled approximately Baht 66 million, consisting of damage to fixed assets and other assets of Baht 36 million and business interruption losses of Baht 30 million. The two subsidiaries filed claims for compensation of these losses with insurance companies in 2010. However, the insurance companies denied liability and the subsidiaries filed lawsuits against the insurance companies. In March 2019 the Supreme Court's decision ordered the insurance companies to pay compensation to the subsidiaries, together with interest at 7.5 percent per annum (calculated from the filing date), or a total of Baht 101 million. As at 31 December 2019, the two subsidiaries received the compensation in full.

31. Expenses by nature

Significant expenses classified by nature were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of food and beverage used	5,157,357	5,116,514	290,594	311,887
Employee benefit expenses	5,259,517	5,334,597	915,667	949,245
Royalty fee	557,630	551,349	-	-
Management fee	33,934	32,803	162,594	172,973
Land and buildings rental	2,044,722	1,908,569	11,571	9,160
Depreciation and amortisation	2,037,219	2,044,918	408,948	410,480

32. Employee benefit expenses

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Wages and salaries	3,879,301	3,677,191	610,293	621,231
Defined benefit plans	93,792	31,091	28,376	13,291
Defined contribution plans	47,794	48,047	21,447	22,351
Others	1,238,630	1,578,268	255,551	292,372
Total employee benefit expenses	<u>5,259,517</u>	<u>5,334,597</u>	<u>915,667</u>	<u>949,245</u>

33. Finance costs

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Interest expense:				
Subsidiaries	-	-	18,704	19,967
Bank overdrafts, loans and debentures	214,021	204,615	166,627	149,036
Total interest expense	<u>214,021</u>	<u>204,615</u>	<u>185,331</u>	<u>169,003</u>

34. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 were made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax				
Current income tax charge	296,737	409,372	-	-
Adjustment in respect of current income tax of previous year	(3,682)	4,065	(56)	-
Deferred tax				
Relating to origination and reversal of temporary differences	(12,251)	25,339	(36,268)	22,977
Income tax (income) expenses reported in profit or loss	<u>280,804</u>	<u>438,776</u>	<u>(36,324)</u>	<u>22,977</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax for actuarial gain	-	4,373	-	868
Available-for-sale investments	(4)	55	-	-
Income tax income (expenses) charged to other comprehensive income	<u>(4)</u>	<u>4,428</u>	<u>-</u>	<u>868</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit before income tax expenses	<u>2,089,976</u>	<u>2,713,065</u>	<u>1,027,150</u>	<u>1,204,444</u>
Applicable tax rate	0 - 20%	0 - 20%	20%	20%
Accounting gain before tax multiplied by income tax rate	417,995	542,613	205,430	240,889
Effect of different tax rates in foreign jurisdictions	(7,272)	(11,279)	-	-
Effect of share of profit of investment in associate	(6,201)	(7,078)	-	-
Income not subject to tax	(26,410)	(2)	(199,275)	(249,772)
Profits subject to promotional privileges	(31,604)	(25,220)	-	-
Effects of:				
Non deductible expenses	6,186	6,907	12,216	36,366
Additional expense deduction allowed	(84,272)	(78,269)	(5,290)	(6,944)
Recognised of previously unrecognised tax losses	(10,938)	(12,019)	(56)	-
Others	4,885	4,697	(2,133)	2,438
Total	(84,139)	(78,684)	4,737	31,860
Recognition of previously unrecognised deferred tax assets during the year	(47,160)	-	(47,160)	-
Current year losses for which no deferred tax asset was recognised	40,808	8,864	-	-
Deferred income tax initial recognition and reversal	7,392	(6,130)	-	-
Unrealised losses resulting from intergroup transaction	21,077	11,627	-	-
Adjustment in respect of under (over) record of income tax of prior year	(3,682)	4,065	(56)	-
Income tax (income) expenses reported in profit or loss	<u>280,804</u>	<u>438,776</u>	<u>(36,324)</u>	<u>22,977</u>

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

	(Unit: Thousand Baht)			
	Financial statements			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets				
Difference on depreciation	51,619	42,386	-	-
Allowance for impairment of investment in associate	47,160	-	47,160	-
Financial lease liabilities	35,538	40,743	32,465	36,355
Employee benefit obligation	62,061	51,498	20,385	15,416
Loss carried forward	23,313	19,215	23,313	7,001
Others	33,071	25,803	2,317	996
Total	252,762	179,645	125,640	59,768
Deferred tax liability				
Difference on depreciation	(360,304)	(300,554)	(91,097)	(61,492)
Financial lease liabilities	(1,189)	(1,055)	-	-
Others	(1,148)	(162)	-	-
Total	(362,641)	(301,771)	(91,097)	(61,492)

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Asset		Liability	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Total	252,762	179,645	(362,641)	(301,771)
Set off of tax	(133,334)	(93,200)	133,334	93,200
Net deferred tax assets (liabilities)	119,428	86,445	(229,307)	(208,571)

	(Unit: Thousand Baht)			
	Separate financial statements			
	Asset		Liability	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Total	125,640	59,768	(91,097)	(61,492)
Set off of tax	(91,097)	(59,768)	91,097	59,768
Net deferred tax assets (liabilities)	34,543	-	-	(1,724)

As at 31 December 2019, the Group have unused tax losses totaling Baht 471 million (2018: Baht 180 million), on which deferred tax assets have not been recognised as the Group believe that the future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will be expired by 2020 - 2023.

35. 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.

36. Dividends

At the annual general meeting of the shareholders of the Company held on 25 April 2019, the shareholders approved the appropriation of dividend of Baht 0.65 per share, totaling Baht 877.5 million. The dividend was paid to shareholders during 2019.

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, totalling Baht 810.0 million. The dividend was paid to shareholders during 2018.

37. Segment information

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

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

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

The Group are organised into business segments. During the current year, the Group have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Group' operating segments for the years ended 31 December 2019 and 2018, respectively.

	For the years ended 31 December								(Unit: Million Baht)	
	Hotel and related services operation		Food and ice-cream operation		Total		Adjustments and eliminations			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Sales and services income										
- Third parties	8,439	9,364	12,184	11,899	20,623	21,263	-	-	20,623	21,263
- Related parties	10	12	98	100	108	112	(108)	(112)	-	-
Total sales and services income	8,449	9,376	12,282	11,999	20,731	21,375	(108)	(112)	20,623	21,263
Cost of sales and services	(5,475)	(5,904)	(6,771)	(6,530)	(12,246)	(12,434)	58	66	(12,188)	(12,368)
Gross profit	2,974	3,472	5,511	5,469	8,485	8,941	(50)	(46)	8,435	8,895
Unallocated income (expenses):										
Other income	1,736	1,678	200	136	1,936	1,814	(1,268)	(1,309)	668	505
Selling expenses	(492)	(513)	(503)	(500)	(995)	(1,013)	149	162	(846)	(851)
Administrative expenses	(2,350)	(2,279)	(4,474)	(4,217)	(6,824)	(6,496)	842	830	(5,982)	(5,666)
Share of profit from investment in associate	31	35	(2)	-	29	35	-	-	29	35
Finance cost	(416)	(389)	(2)	(1)	(418)	(390)	204	185	(214)	(205)
Income tax expenses	(224)	(326)	(57)	(113)	(281)	(439)	-	-	(281)	(439)
Profit for the year	1,259	1,678	673	774	1,932	2,452	(123)	(178)	1,809	2,274

Geographic information

The Group 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	
	2019	2018	2019	2018	2019	2018
Thailand	19,251	19,748	1,829	2,263	50,899	46,147
Republic of Maldives	1,480	1,627	103	189	2,287	2,794
Eliminations	(108)	(112)	(123)	(178)	(25,596)	(22,494)
Total	20,623	21,263	1,809	2,274	27,590	26,447

Major customers

For the years 2019 and 2018, the Group have no major customer with revenue of 10 percent or more of an entity's revenues.

38. Provident fund

The Group 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 3 percent to 15 percent of their basic salaries and by the Group at rates ranging from 3 percent to 10 percent of the employees' basis salaries. The fund, which is managed by Krungthai Asset Management Public Co., Ltd., Siam Commercial Bank Asset Management Public Co., Ltd., and Krungsri Asset Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 by the Group amounting to approximately Baht 48 million (2018: Baht 48 million) were recognised as expenses, the Company only: Baht 21 million (2018: Baht 22 million).

39. Commitments and contingent liabilities

39.1 Capital commitments

As at 31 December 2019 and 2018, the Group had capital commitments as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Hotel construction and renovation	1,013.0	294.0	17.3	41.4
Machinery and equipment	31.4	22.7	-	-
Leasehold improvement	6.0	10.8	-	-
Total	<u>1,050.4</u>	<u>327.5</u>	<u>17.3</u>	<u>41.4</u>

39.2 Operating lease and service commitments

The Group 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 2019 and 2018, 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	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Payable:				
In up to 1 year	785.3	665.9	-	-
In over 1 year and up to 5 years	1,073.3	965.3	-	-
In over 5 years	2,949.1	3,177.3	-	-

39.3 Guarantees

39.3.1 Bank guarantees

As at 31 December 2019 and 2018, there were outstanding bank guarantees issued by banks on behalf of the Group, in respect of the normal course of certain performance bonds as required in their business. The details of bank guarantees were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Guarantees for rental	171	76	59	59
Guarantee electricity use, among others	45	55	8	12
Total	<u>216</u>	<u>131</u>	<u>67</u>	<u>71</u>

39.3.2 Related parties guarantees

The Company

As at 31 December 2019, the Company and a director of the Company provided guarantees to various local financial institutions for loans facility of four subsidiaries in the amount of Baht 3,121 million (2018: Baht 2,462 million). As at 31 December 2019, the outstanding balance of these loans are Baht 1,434 million (2018: Baht 1,252 million).

Subsidiary

As at 31 December 2019, 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 (2018: Baht 55.8 million).

39.4 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.
- A subsidiary entered into agreements for purchases of raw materials with a local supplier for a period of 12 months starting from the contract date. The subsidiary agreed to purchases raw material in accordance with the price and quantity specified in the agreements and agreed to pay advance payment for raw material purchased in last month or will be returned when the agreements are expired.

39.5 Significant agreement

- On 30 September 2019, a subsidiary entered into an investment agreement with two Japanese companies for a hotel development in Japan whereby a subsidiary was to be established in Singapore in order to invest in a newly established company in Japan. In January 2020, the subsidiary paid JPY 30,000 for the share subscription for 30 ordinary shares of JPY 1,000 each.
- On 19 December 2019, a subsidiary entered into a joint investment agreement to invest in a coffee business in Vietnam.

39.6 Contingent liabilities

On 12 July 2017, a subsidiary filed a lawsuit against a receivable (the objector) for 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 a breach of hotel management contract. On 27 December 2017, the objector filed a counterclaim rejecting to pay the compensation and demanded 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. The subsidiary filed an objection against the claim of the objector and on 4 December 2019; and the arbitral tribunal rendered an award that the objector shall pay an amount of Baht 52.3 million to the subsidiary with interest 8.875 percent per annum, calculating from 4 December 2019 until the day the objector makes a full payment. The management believes that there is a high probability that the subsidiary will win the case even though the objector may file an appeal with the Appeal Court. As at 31 December 2019, no provision for doubtful accounts and no provision for liabilities have been made in the financial statements.

40. Fair value hierarchy

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

(Unit: Million Baht)								
Consolidated financial statements								
Level 1		Level 2		Level 3		Total		
2019	2018	2019	2018	2019	2018	2019	2018	
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	-	-	-	-	1,287	1,287	1,287	1,287

(Unit: Million Baht)								
Separate financial statements								
Level 1		Level 2		Level 3		Total		
2019	2018	2019	2018	2019	2018	2019	2018	
Financial assets disclosure of fair value								
Investment properties	-	-	-	-	1,002	1,022	1,002	1,022

41. Financial instruments

41.1 Financial risk management

The Group's 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 Group are exposed to credit risk primarily with respect to trade and other receivables and loans. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group 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 Group's exposure to interest rate risk relates primarily to their cash at banks, bank overdrafts, short-term and long-term borrowings. Most of the Group' 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 year		2019		2018		2019				2018
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		2019	2018
	Financial assets												
Cash and cash equivalents	-	-	-	-	1,508	450	516	832	2,024	1,282	0.13 - 1.55	0.13 - 1.4	
Current investments	788	899	-	-	-	-	-	-	788	899	1.45 - 1.80	1.5 - 1.75	
Trade and other receivables	-	-	-	-	-	-	765	863	765	863	-	-	
	788	899	-	-	1,508	450	1,281	1,695	3,577	3,044			
Financial liabilities													
Short-term loans from financial institutions	-	-	-	-	551	130	-	-	551	130	2.7 - 3.6	3.1 - 4.3	
Trade and other payables	-	-	-	-	-	-	2,649	2,755	2,649	2,755	-	-	
Long-term loans from related parties	-	-	52	52	-	-	-	-	52	52	3.0	3.0	
Long-term loans from financial institutions	400	-	700	1,100	1,134	1,514	-	-	2,234	2,614	1.7 - 5.3	2.4 - 4.9	
Debentures	800	-	4,080	4,280	-	-	-	-	4,880	4,280	2.1 - 3.4	2.1 - 3.4	
	1,200	-	4,832	5,432	1,685	1,644	2,649	2,755	10,366	9,831			

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 year		2019	2018	2019	2018	2019	2018	2019	2018
2019	2018	2019	2018								
Financial assets											
Cash and cash equivalents	-	-	-	-	-	64	140	64	140	-	-
Trade and other receivables	-	-	-	-	-	155	215	155	215	-	-
Dividend receivables	-	-	-	-	-	210	277	210	277	-	-
Short-term loans to related parties	471	323	-	-	-	-	-	471	323	3.0	3.0
Long-term loans to related parties	2,505	2,139	-	-	-	-	-	2,505	2,139	3.0	3.0
	2,976	2,462	-	-	-	429	632	3,405	3,094		
Financial liabilities											
Trade and other payables	-	-	-	-	-	376	399	376	399	-	-
Short-term loans from related parties	-	-	520	414	-	-	-	520	414	1.6 - 3.0	1.4 - 3.0
Long-term loans from financial institutions	400	-	700	1,100	191	392	-	1,291	1,492	2.4 - 4.8	2.4 - 4.9
Debentures	800	-	4,080	4,280	-	-	-	4,880	4,280	2.1 - 3.4	2.1 - 3.4
	1,200	-	5,300	5,794	191	392	399	7,067	6,585		

Foreign currency risk

The Group's 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		Separate		Exchange rate as at	
	financial statements		financial statements		31 December	
	2019	2018	2019	2018	2019	2018
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	10	10	-	-	30.15	32.45
Yuan	1	1	-	-	4.31	4.78
Financial liabilities						
US dollar	35	49	6	12	30.15	32.45
Yuan	-	-	-	-	4.31	4.78

41.2 Fair values of financial instruments

Since the majority of the Group' 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.

42. 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 2019, the Group's debt-to-equity ratio was 0.95:1 (2018: 0.97:1) and the Company's was 1.10:1 (2018: 1.07:1).

43. Events after the reporting period

The Board of Directors of a subsidiary passed a resolution for the approval of establishment of Central Restaurants Group (Vietnam) Company Limited with the registered capital of VND 23,200 million, through Central Restaurants Group (HK) Limited (a subsidiary), in which the subsidiary holds 100% interest. This company registered its establishment on 14 February 2020.

44. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 26 February 2020.

LETTER OF CLARIFICATION FOR CENTEL'S OPERATING PERFORMANCE RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2019

Central Plaza Hotel Pcl. (the "Company" or "CENTEL") wishes to inform and clarify to the SET with regard the analysis of the Company's operating performance results for Q4/2019 and Year 2019, ended December 31, 2019, with the following details:

1. Overview of the tourism industry in Thailand and the Maldives
2. Analysis of the operating performance of the Company
and for each respective Business Group
3. Financial Status of the Company
4. Factors that may impact ongoing business operations for 2020

1. Overview of the tourism industry in Thailand and the Maldives

1.1 Tourism industry in Thailand

In Q4/2019, there was a total of 10.3 million international tourist arrivals – an increase of 6.4% compared to the same period last year - or year-on-year (YoY), due to the recovery of both Chinese and Russian tourist arrivals that grew by 14.6% and 8.5% YoY, respectively. While arrivals from India still grew by 22.8% compared to the previous year.

For Year 2019, there was a total of 39.8 million international tourist arrivals - an increase of 4.2% YoY, with the overall increase being partly due to the low base for the second half of 2018. The 5 top most international tourist groups with the highest proportion of the total number of arrivals were from China, Malaysia, India, South Korea, and Laos, that accounted for 27.6%, 10.5%, 5.0%, 4.7% and 4.6% of the total number of international tourist arrivals and increasing YoY by 4.4%, 3.6%, 24.8%, 5.1% and 10.9%, respectively.

1.2 Tourism Industry in the Maldives

In Q4/2019, there was a total of 451,197 tourist arrivals to the Maldives - an increase of 11.7% YoY that resulted mainly from the increase in arrivals from Europe, which, in total, accounted for 53.0% of the total number of tourist arrivals and which increased by 14.0% compared to the previous year; together with the YoY increase in the number of arrivals from India that grew by 47.9% YoY, which compensated for 12% YoY decrease in tourist arrivals from China. Nevertheless, in Q4/2019, the top arrivals from China still accounted for 11.9% of the total number of tourist arrivals to the Maldives.

For Year 2019, there was a total of 1,702,887 tourist arrivals to the Maldives – an increase of 14.7% YoY, with the top 5 tourists coming from China, India, Italy, the UK, and Germany that respectively accounted for 16.7%, 9.7%, 8.0%, 7.4% and 7.4% of the total number of tourist arrivals and that increased YoY by 0.3%, 83.5%, 29.5%, 10.1% and 6.8%, respectively.

2. Analysis of the operating performance of the Company and for each respective Business Group

2.1 Analysis of the operating performance of the Company

CENTEL: Operating Performance of the Company for Q4/2019 & Q4/2018

(Amount - in Baht Million)	Q4/2019		Q4/2018		Changes YoY (Increase + / Decrease -)	
	Amount	%	Amount	%	Amount	%
Revenues - hotel business ⁽¹⁾	2,257.3	42.1%	2,465.6	44.7%	(208.3)	-8.4%
Revenues - food business	3,099.8	57.9%	3,048.6	55.3%	51.2	1.7%
Total Revenues	5,357.1	100.0%	5,514.2	100.0%	(157.1)	-2.8%
Cost of sales - hotel business	770.3	14.4%	880.0	16.0%	(109.7)	-12.5%
Cost of sales - food business	1,492.7	27.9%	1,493.4	27.1%	(0.7)	0.0%
Total cost of sales ⁽²⁾	2,263.0	42.2%	2,373.4	43.0%	(110.4)	-4.7%
Less: Selling & General Administrative Expenses	2,006.4	37.5%	1,938.9	35.2%	67.5	3.5%
Add: Share of Profit (Loss) - Investments (by the equity method)	6.2	0.1%	(6.5)	0.0%	12.7	195.4%
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	1,093.9	20.4%	1,195.4	21.7%	(101.5)	-8.5%
Less: Depreciation & Amortization	(506.7)	-9.5%	(525.9)	-9.5%	19.2	3.7%
Earnings before Interest and Tax (EBIT)	587.2	11.0%	669.5	12.1%	(82.3)	-12.3%
Less: Finance Costs	(51.2)	-1.0%	(48.9)	-0.9%	2.3	4.7%
Less: Corporate Income Tax	(49.0)	-0.9%	(109.5)	-2.0%	(60.5)	-55.3%
Less: Profit from Non-Controlling Interests	(16.1)	-0.3%	(30.0)	-0.5%	(13.9)	-46.3%
Net Profit	470.9	8.8%	481.1	8.7%	(10.2)	-2.1%

(1) Includes income from the amortization of deferred rental income from the Centara Grand Beach Resort Samui, totaling Baht 25.1 million/Quarter

(2) Cost of Sales excludes Depreciation and Amortization Expenses allocated as Cost of Sales

Q4/2019: The Company achieved Total Revenues of Baht 5,357.1 million (Q4/2018: Baht 5,514.2 million) – a decrease of Baht 157.1 million (or -2.8%) YoY, with the proportion of Total Hotel Business Revenues to Total Food Business Revenues being 42% : 58% (Q4/2018 - 45% : 55%). While Total Gross Profit was Baht 2,912.5 million – a decrease of 3.2% YoY, and equaled to a Gross Profit Margin of 56.3% of Total Revenues (excluding other income) – an slight increase compared to the same period last year (Q4/2018: 55.9%) as a result of continuing and sustained effective costs management for both the Hotel and Food Businesses. The Company achieved Total EBITDA of Baht 1,093.9 million (Q4/2018 : Baht 1,195.4 million) – a decrease of Baht 101.5 million (or -8.5%) from Q4/2018, that is equal to an EBITDA Margin of 20.4% - a decrease from the same period last year (Q4/2019: 21.7%). This lower % EBITDA Margin resulted from the overall decrease in total revenues; while some Selling and Administrative Expenses were fixed costs, with the main components being: staff salaries and welfare benefits, rental fees paid under the extension of Rental Agreement for properties, buildings, and facilities assets of the Centara Grand Beach Resort & Villa, Hua Hin with the State Railways of Thailand (SRT), and the rental fees paid to the CTARAF property fund, together with expenses relating to the opening of additional new QSR outlets for the Food Business. As such, the Company achieved Total Net Profit of Baht 470.9 million – a decrease of Baht 10.2 million (or -2.1%) YoY.

CENTEL: Operating Performance of the Company for Year 2019 & Year 2018

(Amount - in Baht Million)	Year 2019		Year 2018		Changes YoY (Increase + / Decrease -)	
	Amount	%	Amount	%	Amount	%
Revenues - hotel business ⁽¹⁾	8,895.9	42.0%	9,764.3	44.9%	(868.4)	-8.9%
Revenues - food business	12,294.4	58.0%	12,003.9	55.1%	290.5	2.4%
Total revenues	21,190.3	100.0%	21,768.2	100.0%	(577.9)	-2.7%
Cost of sales - hotel business	3,097.8	14.6%	3,438.1	15.8%	(340.3)	-9.9%
Cost of sales - food business	5,933.7	28.0%	5,720.7	26.3%	213.0	3.7%
Total cost of sales ⁽²⁾	9,031.5	42.6%	9,158.8	42.1%	(127.3)	-1.4%
Less: Selling & General Administrative Expenses	7,889.7	37.2%	7,682.3	35.3%	207.4	2.7%
Add: Share of Profit - Investments (by the equity method)	29.4	0.1%	35.4	0.2%	(6.0)	-16.9%
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	4,298.5	20.3%	4,962.5	22.8%	(664.0)	-13.4%
Less: Depreciation & Amortization	(2,037.2)	-9.6%	(2,044.9)	-9.4%	(7.7)	-0.4%
Earnings before Interest and Tax (EBIT)	2,261.3	10.7%	2,917.6	13.4%	(656.3)	-22.5%
Less: Finance Costs	(214.0)	-1.0%	(204.6)	-0.9%	9.4	4.6%
Less: Corporate Income Tax	(260.7)	-1.2%	(438.8)	-2.0%	(178.1)	-40.6%
Less: Profit from Non-Controlling Interests	(64.9)	-0.3%	(96.7)	-0.4%	(31.8)	-32.9%
Net Profit from Normal Operations	1,721.7	8.1%	2,177.5	10.0%	(455.8)	-20.9%
Extraordinary Items:						
Add: Insurance claim (net of taxes)	80.6	0.4%	-	-	80.6	NA
Less: Provision of long-term employee benefits	(58.1)	-0.3%	-	-	(58.1)	NA
Net Profit	1,744.2	8.2%	2,177.5	10.0%	(433.3)	-19.9%

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

(2) Cost of Sales excludes Depreciation and Amortization Expenses allocated as Costs of Sales

Year 2019: The Company achieved Total Revenues of Baht 21,190.3 million (FY/2018: Baht 21,768.2 million) - a decrease of Baht 577.9 million (or -2.7%) YoY due to the decrease in revenues for the Hotel Business; whereby the proportion of Total Hotel Business Revenues to Total Food Business Revenues was 42% : 58% (FY/2018: 45% : 55%). Total Gross Profit was Baht 11,591.3 million (FY/2018 : Baht 12,104.2 million) - a decrease of Baht 512.9 million (or -4.2%) YoY, together with a Gross Profit Margin of 56.2% that decreased slightly compared to the previous year (FY/2018: 56.9%) due to the operations of the Food Business.

The Company achieved Total FY/2019 EBITDA of Baht 4,298.5 million (FY/2018: Baht 4,962.5 million) - a decrease of Baht 664.0 million (or -13.4%) YoY, with an EBITDA Margin of 20.3% - a decrease from the previous year (FY/2018: 22.8%) that resulted from softer operating results for both the Hotel and Food Businesses under an increasingly competitive market when compared to the previous year. The Company achieved Total Net Profit from Normal Operations of Baht 1,721.7 million - a decrease of Baht 455.8 million (or -20.9%). After including an indemnity payment from insurance (net after taxes) totaling Baht 80.6 million received in Q1/2019 and deducting an extraordinary item relating to the required provisions of long-term employee benefits in accordance with the new labour laws totaling Baht 58.1 million in Q2/2019, this resulted in the FY/2019 Net Profit of Baht 1,744.2 million - a decrease of Baht 433.3 million (or -19.9%) YoY.

2.2 Analysis of the Operating Results for each respective Business Group

2.2.1 Hotel Business

As at December 31, 2019, the Company had a total of 76 hotel properties (with a total of 14,758 rooms); whereby 43 hotels (8,093 rooms) are already in operation and another 33 hotel properties (6,665 rooms) are under development. Of the 43 hotels already in operation, a total of 18 hotels (4,476 rooms) are owned and operated by the Company, with the other 25 hotels (3,617 rooms) being operated under the Company's Hotel Management Agreements.

CENTEL: Hotel Business Operating Results - Q4/2019

Occupancy Rate (OCC) %	Total performance			Total performance (Excluded: Centara Grand Beach Resort Samui and Cusi Pattaya Wong Amat Beach)		
	Q4/2019	Q4/2018	% Change	Q4/2019	Q4/2018	% Change
Bangkok	81.6%	83.5%	-1.9%	81.6%	83.5%	-1.9%
Upcountry	75.5%	80.0%	-4.5%	75.8%	81.0%	-5.2%
Maldives	82.0%	92.1%	-10.1%	82.0%	92.1%	-10.1%
Thailand - Average	77.6%	81.1%	-3.5%	77.8%	81.8%	-4.0%
Total - Average	77.9%	81.8%	-3.9%	78.0%	82.5%	-4.5%

Average Room Rate ARR (Baht)	Total performance			Total performance (Excluded: Centara Grand Beach Resort Samui and Cusi Pattaya Wong Amat Beach)		
	Q4/2019	Q4/2018	% Change	Q4/2019	Q4/2018	% Change
Bangkok	2,979	3,239	-8.0%	2,979	3,239	-8.0%
Upcountry	3,816	3,984	-4.2%	3,843	3,929	-2.2%
Maldives	16,177	17,528	-7.7%	16,177	17,528	-7.7%
Thailand - Average	3,514	3,737	-6.0%	3,530	3,692	-4.4%
Total - Average	4,353	4,693	-7.2%	4,372	4,684	-6.7%

Revenue per Available Room (RevPar) (Baht)	Total performance			Total performance (Excluded: Centara Grand Beach Resort Samui and Cusi Pattaya Wong Amat Beach)		
	Q4/2019	Q4/2018	% Change	Q4/2019	Q4/2018	% Change
Bangkok	2,429	2,703	-10.1%	2,429	2,703	-10.1%
Upcountry	2,881	3,189	-9.7%	2,911	3,180	-8.5%
Maldives	13,262	16,141	-17.8%	13,262	16,141	-17.8%
Thailand - Average	2,727	3,033	-10.1%	2,745	3,020	-9.1%
Total - Average	3,389	3,840	-11.7%	3,411	3,862	-11.7%

Hotel Business: Q4/2019 Operating Results

Hotel Business (In Baht Million)	Q4/2019	Q4/2018	% Change
Revenues from the Hotel Business	2,115.9	2,373.3	-10.8%
Total Revenues (including other income)	2,257.3	2,465.6	-8.4%
Gross Profit	1,345.6	1,493.3	-9.9%
Gross Profit Margin %	63.6%	62.9%	0.7%
EBITDA	754.5	837.2	-9.9%
% EBITDA Margin	33.4%	34.0%	-0.6%
Net Profit	321.2	294.5	9.1%
% Net Profit Margin	14.2%	11.9%	2.3%

- Q4/2019:

- The Hotel Business achieved Total Revenues of Baht 2,257.3 million - a decrease of Baht 208.3 million (or -8.4%) from Q4/2018, partly due to the closure, for major renovations, of the Centara Grand Beach Resort, Samui that resulted in a loss of revenues totaling approximately Baht 82.7 million compared to the previous year. If the loss of revenues from the closure for major renovations of this hotel was not included, then the overall decrease in Total Hotel Business Revenues would only be equal to 5.3% compared to the same period last year.

Revenue per Available Room (RevPar) decreased by 11.7% YoY to be at Baht 3,389, due to the decrease in Q4/2019 Occupancy Rate (OCC) from 81.8% to 77.9%, while Average Room Rate (ARR) also decreased by 7.2% YoY to be at Baht 4,353.

- Bangkok:** RevPar decreased by 10.1% YoY to be at Baht 2,429, due to the overall decrease in the OCC from 83.5% to 81.6%; while ARR was at Baht 2,979 - a decrease of 8.0% YoY. This decrease in the RevPar was due to the intense competitive environment resulting from the supply of new hotels.
- Upcountry:** RevPar decreased by 9.7% YoY to be at Baht 2,881, due to the decrease in OCC from 80.0% to 75.5%. At the same time ARR decreased by 4.2% YoY to be at Baht 3,816, resulting mainly from the hotel operations in Phuket, Krabi and Pattaya; while the hotels in Hatyai and Mae Sot achieved improved RevPar compared to the previous year. As such, if the operations of the Centara Grand Beach Resort, Samui and of the COSI Pattaya Wong Amat Beach were not included, then the RevPar would have decreased by only 8.5% compared to the previous year.
- Maldives:** RevPar decreased by 17.8% compared to last year to be at Baht 13,262, together with OCC decreasing from 92.1% to 82.0%; while ARR also decreased by 7.7% to be at Baht 16,177, which was partly due to the appreciation of the Thai Baht against

the US dollar by almost 8.0% compared to last year. As such, if considered in US dollar currency, then RevPar would have decreased by 11.0% YoY.

- The Company achieved Total Q4/2019 Gross Profit of Baht 1,345.6 million (Q4/2018: Baht 1,493.3 million) – a decrease of 9.9% from the previous year, and is equal to a Gross Profit Margin of 63.6% of total revenues (Q4/2018: 62.9%) with this improvement from the same period last year resulting from continuing and sustained effective costs management - especially for the Centara Grand & Bangkok Convention Centre at CentralWorld. While Total Q4/2019 EBITDA was Baht 754.5 million, with an EBITDA Margin of 33.4% - a decrease from the same period last year (Q4/2018: 34.0%) due to the closure, for major renovations, of the Centara Grand Beach Resort, Samui that resulted in a loss of operating revenues while still incurring and recognizing rental fees paid to the CTARAF property funds totaling Baht 46 million together with the increased new rental fees (totaling Baht 25.8 million) for the properties, buildings and hotel assets of the Centara Grand Beach Resort & Villa, Hua Hin paid in Q4/2019 under the extension of Rental Agreement.

CENTEL: Hotel Business Operating Results - Year 2019

Occupancy Rate (OCC) %	Total performance			Total performance (Excluded: Centara Grand Beach Resort Samui and Cosi Pattaya Wong Amat Beach)		
	2019	2018	% Change	2019	2018	% Change
Bangkok	79.2%	84.2%	-5.0%	79.2%	84.2%	-5.0%
Upcountry	75.6%	80.7%	-5.1%	75.4%	80.5%	-5.1%
Maldives	82.7%	83.5%	-0.8%	82.7%	83.5%	-0.8%
Thailand - Average	76.8%	81.8%	-5.0%	76.8%	81.8%	-5.0%
Total - Average	77.2%	81.9%	-4.7%	77.1%	81.9%	-4.8%

Average Room Rate (ARR) – Baht	Total performance			Total performance (Excluded: Centara Grand Beach Resort Samui and Cosi Pattaya Wong Amat Beach)		
	2019	2018	% Change	2019	2018	% Change
Bangkok	2,993	3,089	-3.1%	2,993	3,089	-3.1%
Upcountry	3,954	4,052	-2.4%	3,928	3,936	-0.2%
Maldives	16,513	18,093	-8.7%	16,513	18,093	-8.7%
Thailand - Average	3,619	3,728	-2.9%	3,595	3,637	-1.2%
Total - Average	4,477	4,620	-3.1%	4,472	4,576	-2.3%

Revenue per Available Room (RevPar) – Baht	Total performance			Total performance (Excluded: Centara Grand Beach Resort Samui and Cosi Pattaya Wong Amat Beach)		
	2019	2018	% Change	2019	2018	% Change
Bangkok	2,372	2,602	-8.8%	2,372	2,602	-8.8%
Upcountry	2,989	3,269	-8.6%	2,963	3,170	-6.5%
Maldives	13,654	15,102	-9.6%	13,654	15,102	-9.6%
Thailand - Average	2,780	3,051	-8.9%	2,759	2,975	-7.3%
Total - Average	3,456	3,786	-8.7%	3,450	3,748	-8.0%

Hotel Business: 2019 Operating Results

Hotel Business (In Baht Million)	2019	2018	% Change
Revenues from the Hotel Business	8,438.6	9,364.0	-9.9%
Total Revenues (including other income)	8,895.9	9,764.3	-8.9%
Gross Profit	5,340.8	5,925.9	-9.9%
Gross Profit Margin %	63.3%	63.3%	-
EBITDA	2,918.8	3,429.8	-14.9%
% EBITDA margin	32.8%	35.1%	-2.3%
Net Profit from Operations	1,091.1	1,432.3	-23.8%
Add: Insurance claim	29.4	-	NA
Less: Provision of long-term employee benefits	(27.2)	-	NA
Net Profit	1,093.3	1,432.3	-23.7%
% Net Profit Margin	12.3%	14.7%	-2.4%

- **Year 2019:**
 - The Hotel Business achieved Total Revenues of Baht 8,895.9 million – a decrease of Baht 868.4 million (or -8.9%) YoY, partly due to the closure, for major renovations, of the Centara Grand Beach Resort, Samui that resulted in the total loss of operating revenues of Baht 289.4 million, compared to the previous year. If the loss of operating revenues from the closure of this hotel for major renovations was not included, then the decrease in Total Hotel Business Revenues for the year would only be at approximately 6.2% YoY.
- OCC decreased from 81.9% to 77.2% together with ARR that decreased by 3.1% YoY to be at Baht 4,477, which then resulted in RevPar decreasing by 8.7% compared to the same period last year to be at Baht 3,456. If the operating results of the Centara Grand Beach Resort, Samui and the COSI Pattaya Wong Amat Beach, were not included, then the RevPar would decrease only by 8.0% YoY.
- **Bangkok:** RevPar decreased by 8.8% YoY to be at Baht 2,372, due to the OCC also decreasing from 84.2% to 79.2%; while ARR was at Baht 2,993 – a decrease of 3.1% YoY. This decrease in the RevPar resulted from the overall decrease in MICE activities together

with the associated revenues and the increasingly intense competitive environment due to increase in the supply of new hotels.

- **Upcountry:** RevPar decreased by 8.6% to be at Baht 2,989, as a result from the OCC decreasing by 80.7% to 75.6%; while ARR also decreased by 2.4% to be at Baht 3,954. If the operating results of the Centara Grand Beach Resort, Samui and the COSI Pattaya Wong Amat Beach were not included, then the RevPar would have decreased by only 6.5% YoY.
- **Maldives:** RevPar decreased by 9.6% YoY together with OCC also decreasing from 83.5% to 82.7%; while ARR decreased by 8.7% YoY to be at Baht 16,513, partly due to appreciation of the Baht against the US dollar. As such, if considered in US dollar currency, then the RevPar would have decreased by only 6.2% YoY.
- For Year 2019, the Company achieved Gross Profit of Baht 5,340.8 million (FY/2018: Baht 5,925.9 million) - a decrease of 9.9% from the previous year, due to the overall decrease in the Total Hotel Business Revenues; while, Gross Profit Margin remained at the same at 63.3% compared to the same period last year. EBITDA Margin for the Year 2019 was 32.8% of total revenues – a decrease compared to last year (FY/2018: 35.1%).

2.2.2 Food Business:

CENTEL: Food Business Operating Results - Q4/2019

Same Store Sales (SSS) Growth YoY	Q4/2019	Q4/2018
Top 4 brands	-6.2%	-1.6%
Other 7 brands	-7.2%	-2.1%
Total Average	-6.3%	-1.7%

Total Systems Sales (TSS) Growth YoY	Q4/2019	Q4/2018
Top 4 brands	0.2%	5.5%
Other 7 brands	11.0%	13.2%
Total Average	1.8%	6.5%

Total Number of QSR Outlets	Q4/2019	Q4/2018
KFC	279	258
Mister Donut	370	357
Auntie Anne's	182	163
Ootoya	50	43
Pepper Lunch	47	39
Cold Stone	17	18
The Terrace	10	9
Chabuton	19	17
Yoshinoya	19	20
Tenya	15	8
Katsuya	36	24
Aroi Dee	15	0
Suki House	3	0
Soft Air	1	0
Kowlune	1	0
Total	1,064	956

Food Business (in Baht Million)	Q4/2019	Q4/2018	% Change
Sales Revenues	3,059.6	3,009.0	1.7%
Total revenues (including other income)	3,099.8	3,048.6	1.7%
Gross Profit	1,566.9	1,515.6	3.4%
Gross Profit margin %	51.2%	50.4%	0.8%
EBITDA	339.4	358.2	-5.3%
% EBITDA margin	10.9%	11.8%	-0.9%
Net Profit	149.7	186.6	-19.8%
% Net Profit margin	4.8%	6.1%	-1.3%

- Q4/2019:**
 - The Food Business achieved Total Revenues of Baht 3,099.8 million – an increase of Baht 51.2 million (or +1.7%) from Q4/2018. This increase in total revenues in this Quarter compared to the same Quarter last year resulted mainly from the ongoing expansion of new QSR outlets; whereby, as at December 31, 2019, the Company has a total of 1,064 QSR outlets – a net increase of 108 new QSR outlets from the previous year. The Consumers' Confidence Index for Q4 this year continued to decline from the previous Quarter and was the lowest for 2019; whereby it is reflected in the Same-Stores-Sales (SSS) Growth rate for Q4/2019, which continued to decrease by 6.3% compared to the same Quarter last year. This decreased SSS growth resulted from the 3 key QSR brands: KFC, Mister Donut, Auntie Anne's together with mid-size Japanese QSR brands. As for the KFC brand, its SSS growth in Q4/2019 continued to decrease at a relatively higher rate when compared to other QSR brands due to the fact that ongoing major sale promotion campaigns were not able to increase the expected sale volume as planned. While, the SSS growth rate of the Terrace, Ootoya and

Katsuya still continued to show positive trends as a result of the ongoing launch of new products and sustained sales promotion campaigns. Furthermore, the Company also still continued to achieve increased sales transactions via the various food delivery channels, which is in line with the overall current market trend for the food services industry.

The Company achieved an increase in Q4/2019 Gross Profit of Baht 51.3 million (or +3.4%) YoY with an overall increase in the Gross Profit Margin of 0.8% YoY, resulting partly from the decrease in food raw materials costs, changes in the sale promotion campaigns and menu mix; whereby this increase in Gross Profit was achieved together by various QSR brands. Nevertheless, the increased in Gross Profit Margin was not sufficient to compensate for the overall increases in fixed costs - such as: staff costs, depreciation and amortization costs, and other expenses, together with the decrease in SSS; whereby the Q4/2019 EBITDA and Net Profit decreased from Q4/2018 by Baht 18.8 million and Baht 36.9 million, respectively.

On December 2, 2019, the Company invested in Green Food Factory Co., Ltd. ("Green Food Company") for a 51% shareholding, whereby Green Food Company operates a food retail outlets business under the "Salad Factory" brand and, as at December 31, 2019 the Green Food Company operated a total of 7 Salad Factory outlets. On December 19, 2019 the Company signed a 40% Joint Venture agreement with PTT Oil and Retail Pcl. to jointly operate the Café Amazon retail outlets in the Republic of Vietnam, which is an initial expansion into the overseas market.

CENTEL: Food Business Operating Results - Year 2019

Same Store Sales (SSS) Growth YoY	2019	2018
Top 4 brands	-5.1%	0.4%
Other 7 brands	-5.0%	-2.8%
Total Average	-5.1%	0.1%

Total Systems Sales (TSS) Growth YoY	2019	2018
Top 4 brands	1.4%	8.2%
Other 7 brands	8.9%	16.2%
Total Average	2.5%	9.3%

Food Business (in Baht Million)	2019	2018	% Change
Sales Revenues	12,184.2	11,899.0	2.4%
Total revenues (including other income)	12,294.5	12,003.9	2.4%
Gross Profit	6,250.5	6,178.3	1.2%
Gross Profit Margin %	51.3%	51.9%	-0.6%
EBITDA	1,379.7	1,532.7	-10.0%
% EBITDA margin	11.2%	12.8%	-1.6%
Net Profit from Operations	630.6	745.2	-15.4%
Add: insurance claim (net of taxes)	51.2	-	NA
Less: Provision of long-term employee benefits	(30.9)	-	NA
Net Profit	650.9	745.2	-12.7%
% Net Profit margin	5.3%	6.2%	-0.9%

● **Year 2019**

- The Company achieved Total FY/2019 Food Business Revenues of Baht 12,294.5 million – an increase of Baht 290.6 million (or +2.4%) compared to the year 2018. This increase in total revenues for the year 2019 resulted mainly from the ongoing expansion of new QSR outlets; whereby, there was a total net increase of 108 new QSR outlets for the Food Business. While Same-Store-Sales (SSS) growth decreased by 5.1% YoY (FY/2018: +0.1%), which is in line with the trend of the Consumers' Confidence Index that continued to decrease since March 2019 onwards. The decrease in SSS came mainly from these brands: KFC, Mister Donut, Auntie Anne's, Yoshinoya and Chabuton; while Ootoya, The Terrace, and Katsuya achieved ongoing positive SSS growth. This year, the Company launched 3 new QSR brand concepts, namely: Aroi Dee – focusing on a quality one-plate meal fast food concept; Suki House; and a soft serve ice-cream concept under the brand Soft Air; whereby Aroi Dee has plans for the ongoing expansion of its outlets network.

The Company achieved Food Business Gross Profit of Baht 6,250.5 million - an increase of Baht 72.2 million (or +1.2%) YoY. This increase in the Gross Profit at a lower rate than the increase in Total Food Business Revenues was partly due to the decrease in the Gross Profit Margin by 0.6% that resulted from undertaking various sales promotion campaigns to drive both dine-in and delivery sales. EBITDA and Net Profit decreased from the previous year owing to the negative SSS growth, together with the increased Gross Profit Margin that was not sufficient to compensate for expenses - especially fixed costs such as: increasing payroll costs, and increased depreciation and amortization costs resulting from the ongoing expansion of new QSR outlets.

Based on the current sales revenues trends, the Company still sees the importance of continued and more effective costs management measures, as well as has undertaken such

measures on a continuing basis - especially with regards to payroll costs and electricity expenses, so as to sustain the achievement of Net Profits at the maximum possible level.

3. Financial Status of the Company

Financial Position and Cash Flows

As at December 31, 2019, the Company had Total Assets of Baht 27,589.6 million - an increase of Baht 1,142.2 million (or +4.3%) compared to the end of 2018, as a result of the increase in cash or cash equivalents totaling Baht 742.2 million together with increased joint venture investments totaling Baht 521.1 million; and Total Liabilities of Baht 13,446.0 million - an increase of Baht 418.2 million (or +3.2%) from the end of 2018, mainly due to the increase of overdraft facilities used together with short-term loans from financial institutions totaling Baht 421.2 million.

The Company had Total Shareholders' Equity of Baht 14,143.6 million - an increase from the end of 2018 of Baht 723.9 million (or +5.4%), mainly resulting from the Net Profit of Baht 1,744.2 million (for FY/2019) and netted off by a dividend payment of Baht 877.5 million.

For the year ended December 31, 2019, the Company had

- Net Cash from Operating activities totaling Baht 3,813.3 million - a decrease of Baht 399.8 million compared to the same period last year,
- Net Cash used in Investing activities totaling Baht 2,593.7 million - a slight decrease of Baht 75.5 million (or -2.8%), with the major portion being used to purchase property, plant and equipment totaling Baht 1,964.0 million, together with investment in and loans to joint ventures totaling Baht 559.1 million.
- While Net Cash used in Financing activities totaling Baht 463.2 million - a decrease of Baht 528.3 million compared to the same period last year, with the major portion being used in paying dividends totaling Baht 877.5 million and paying interest expense totaling Baht 210.1 million.

Financial Ratios Analysis

Financial Ratios	2019	2018
Current Ratio (times)	0.9	1.1
Net Debt/ Equity Ratio (times)*	0.7	0.7
Interest Bearing Debt/ Equity (times)	0.5	0.5

**Note: Excludes deferred income*

For the year 2019, the Company has

- A Current Ratio is at 0.9 times as at December 31, 2019, slightly lower than for 2018, resulting mainly from the increased portion of Debentures coming due and payable within a 1 year as well as from the current portion of long-term loans from financial institutions to be repaid within 1 year, together overdrafts and short-term loans from financial institutions.
- Net Debt/Equity (D/E) Ratio and Interest Bearing Debt/Equity Ratio have remained the same at 0.7 times and 0.5 times, respectively, as at December 31, 2019.

4. Factors that may impact ongoing business operations

- Factors that may impact ongoing business operations for 2020

Hotel Business

- The COSI Pattaya, Wong Amat Beach Hotel (282 rooms) started partial operations in Q4/2019, and is scheduled to be in full operation mode in Q2/2020. Guest feedback to date has been very encouraging.
- The Centara Grand Beach Resort, Samui is expected to restart full operation in 2021 after having been closed for major renovations since June 1, 2019; and is being re-positioned from the former Upper Upscale positioning to luxury with the room inventory decreasing from 203 rooms to 184 rooms as a new larger room category is introduced. Nevertheless, it is expected that the Average Room Rates (ARR) will be adjusted significantly upwards as result of the hotel being upgraded and re-positioned.
- A staggered re-opening of the newly refurbished rooms for the renovated Centara Grand & Bangkok Convention Centre at CentralWorld has been undertaken, on a continuing basis, since August 2019, and is expected to be fully completed by Q2/2021. The new renovated room category is yielding room rates more than 30% higher than the non-renovated room and have been very well received by the guests, who have stayed in them.
- The renewal of Rental Agreement for the property, buildings and hotel assets of the Centara Grand Beach Resorts & Villas, Hua Hin with the State Railways of Thailand (SRT) upon the expiration of the existing Rental Agreement as at May 15, 2020.

Food Business

- The Food Business has continued to grow, with the main supporting factors being: increased commercial retail space becoming available in shopping malls, together with the food delivery businesses, which have grown significantly and that have been key supporting factors driving

the growth of food services business operators. However, this has also greatly increased market competition within the food services industry. As such, many new food service operators coming into the market, as well as the existing food services operators, who previously used to be able to sell only at their physical retail outlets, can now be able to expand their market reach through selling via the various food services aggregators such as: Food Panda, Grab, and Get. This increased and intense competition has resulted in food service operators having to undertake sales promotion campaigns that focus on 'value for money' together with developing and launching new food menu offerings on a continuing basis to drive sales. Additionally, the economic trends, both domestically and globally, have a major effect on the consumer confidence and the food business sales. Furthermore, the PM25 situation and the COVID-19 virus epidemic crisis, that started in China in January 2020 and has spread quickly to other countries, are also expected to be key factors supporting the continuing growth of the food delivery businesses.

For the costs of food raw materials, the epidemic is a risk factor - such as: the African Swine Fever disease that is found in pigs. Despite not having been found in Thailand, the price of pork meat has risen steadily. The Company has made agreements with pork meat suppliers that has determined both the required quantity and price levels in advance, so as to minimize the potential impact and to manage such costs more effectively.

The increase in minimum wages in accordance with future Government policies will result in increased overall operating costs, since payroll cost is one of the key operating costs. Nevertheless, the Company expects that the increase in minimum wages to be implemented in 2020 will not have a significant impact on the overall payroll cost of the Company.

- Major Change in Accounting Standard

Thai Financial Reporting Standards 16 Leases ("TFRS 16") will be adopted for the accounting period beginning on or after January 1, 2020 onwards, which requires lessees to recognize assets (right-to-use assets) and liabilities for the leases with a term of more than 12 months - with the exception of low-value leases. The lessees have to record depreciation from right-to-use asset and interest expenses from discounted lease liability, accordingly.

This differs from the accounting practice prior to January 1, 2020, under Thai Accounting Standard 17 (revision 2018) Leases; whereby the leases being qualified as operating leases were usually expensed on a straight-line basis.

The Company, as a lessee, currently has a high proportion of Leases to operate the businesses in both Hotel Business (more than 50% of its total Hotel Business revenues) and Food Business. As such, the adoption of TFRS 16 - Leases will result in a positive impact to EBITDA and a negative impact to both finance costs and net profit when compared to the accounting practice in the past; as well as will cause a significant increase in interest bearing debt.

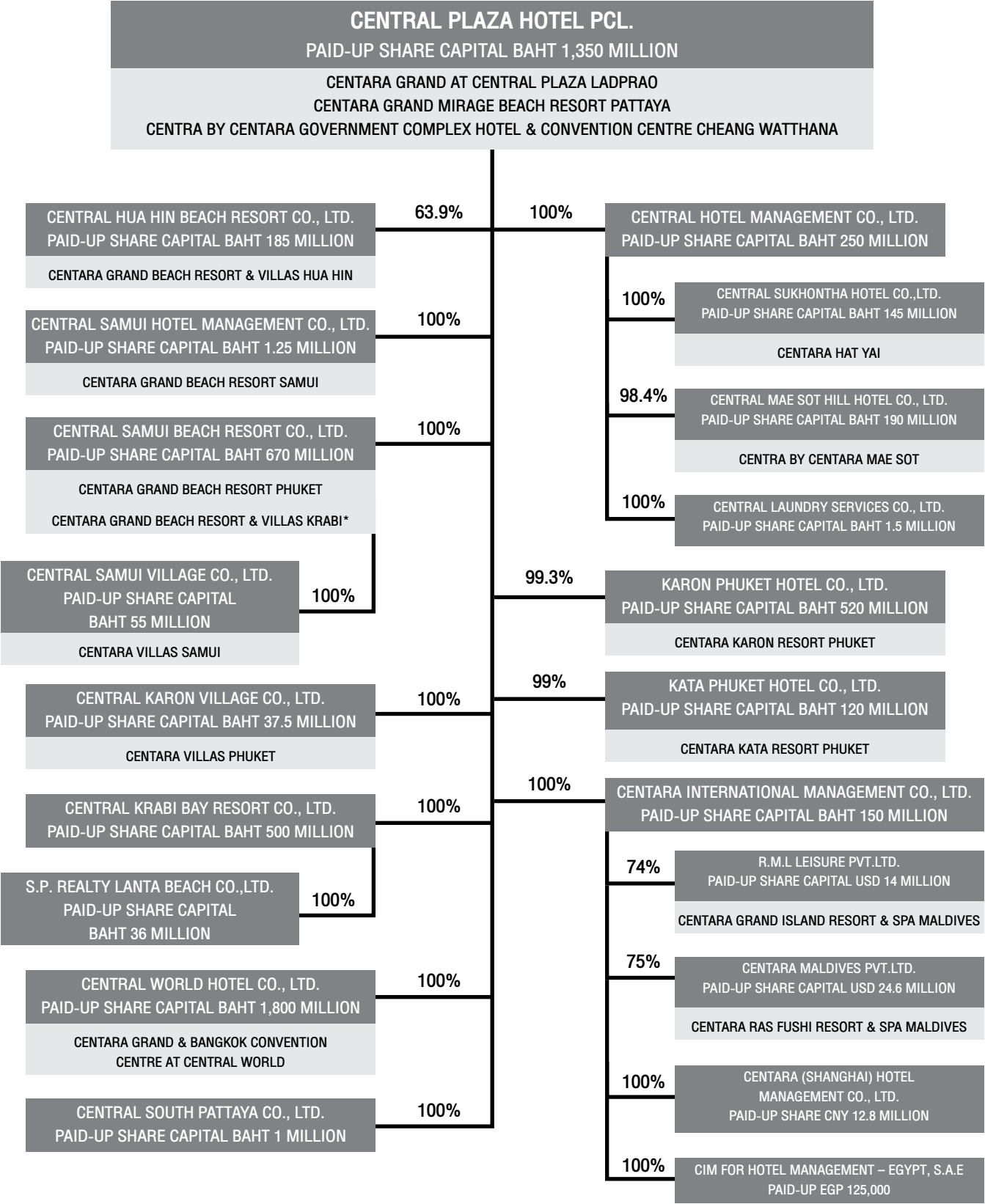
Nevertheless, the current terms and conditions of the Loan Agreements and Debentures indicate that the calculation of related financial ratio shall exclude interest bearing debt from Leases or be based on the accounting standard as of issuance dates in the past. Hence, the changes in accounting standard will have no impact on the current terms and conditions of the Loan Agreements and Debentures.

- Business trends for 2020

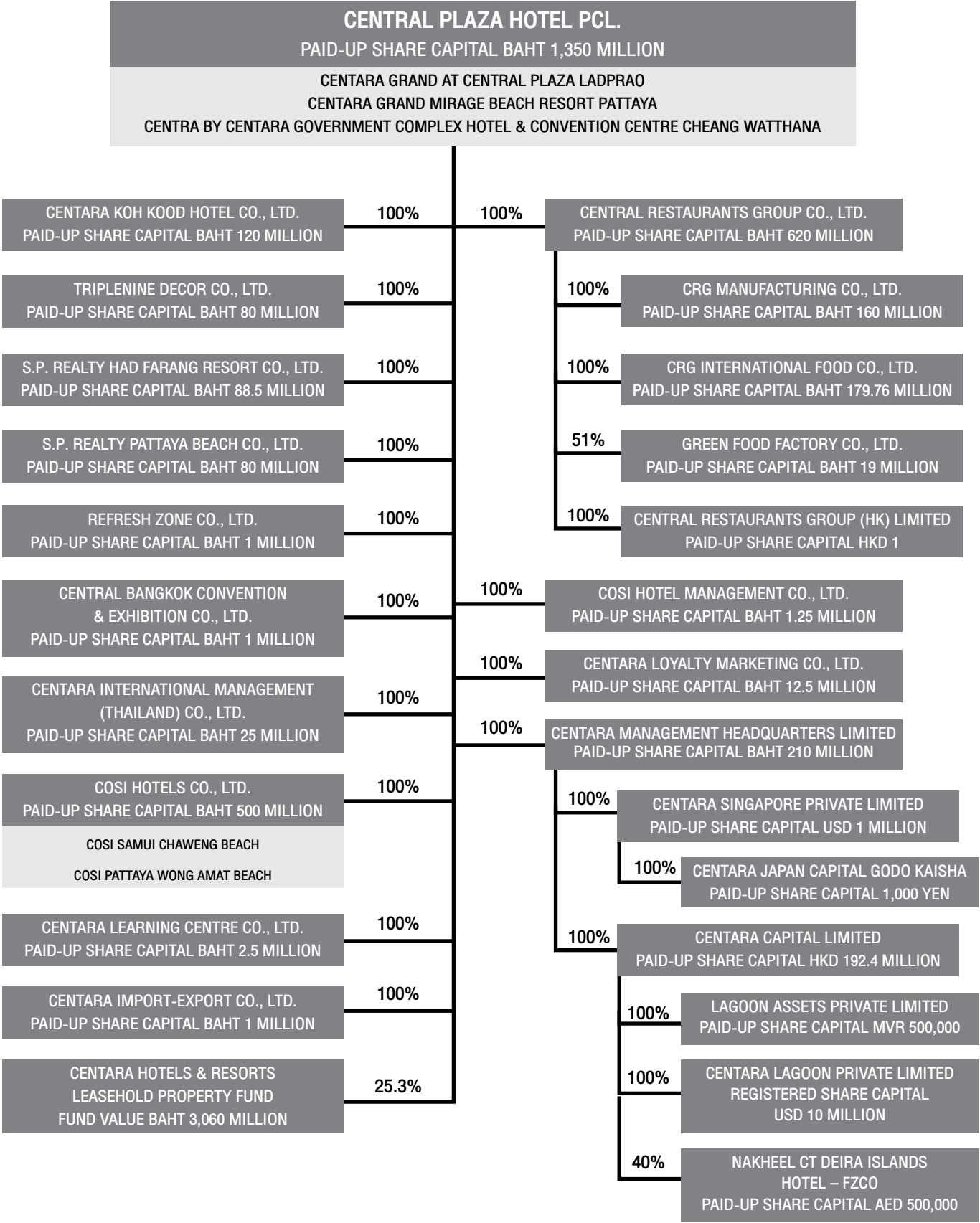
- Hotel Business: The COVID-19 virus epidemic has seriously impacted hotel business operations in Thailand and overseas. If the virus can be controlled and contained within June this year, then only the RevPar for the first half of 2020 will be affected; a recovery is expected to occur during the second half of the year after the revival and return of international tourists arrivals and with meetings and events rescheduled from H1 to H2. Notwithstanding this, the organic RevPar for FY/2020 (excluding the Centara Grand Beach Resort Samui and the COSI Pattaya Wong Amat Beach) is expected to decrease by between 10% - 15% YoY, due to the decreases in OCC and ARR.
- Food Business: The Company plans to focus on expanding more of its Food Business sales through the food delivery sales channels - both via the '1312 Food Hunt' that is its own proprietary on-line food delivery application as well as via other various food aggregators. The Company still plans to launch new food menu offerings and products; as well as undertake sustained sales promotion campaigns that stress 'value for money' aiming to attract customers continuously. The Company expects to increase in Total FY/2020 Food Business Revenues by approximately 6% - 8% YoY, mainly through ongoing expansion of its QSR outlets by approximately 90 - 100 this year. As for Same-Store-Sales (SSS) this year, it is expected to increase from last year by approximately 2%. The planned QSR outlets expansion will be focusing on the 4 key QSR brands, Katsuya, and the new brand Aroi Dee, together with the expansion in new business models aiming to increase efficiency in management. At

the same time, the Company will still explore business opportunities through buying new QSR brand concepts to strengthen the variety of its Food Business portfolio. As such, the expected 6% - 8% YoY increase in its Food Business revenues, as stated above, does not include sales revenues from any future new QSR brands that may be acquired by the Company.

BUSINESS STRUCTURE



*OWNED BY CENTRAL KRABI BAY RESORT CO., LTD.



REVENUE STRUCTURE

(Unit : Million Baht)

Business		2019		2018		2017	
		Amount	%	Amount	%	Amount	%
Hotel	Centara Grand Hotels & Resort ⁽¹⁾	6,516.2	30.6	7,288.5	33.7	7,171.1	35.3
	Centara Hotels & Resorts	1,552.0	7.3	1,671.0	7.9	1,697.2	8.4
	Centra Hotels & Resorts ⁽²⁾	324.8	1.6	352.9	1.6	42.7	0.2
	Cosi Hotels	45.6	0.2	51.6	0.2	1.2	0.0
	Others ⁽³⁾	-	-	-	-	9.6	0.1
	Total	8,438.6	39.7	9,364.0	43.4	8,921.8	44.0
Food	Top 4 brands	10,376.7	49.2	10,235.7	47.0	9,458.5	46.8
	Other 11 brands	1,605.2	7.4	1,497.1	7.0	1,285.4	6.4
	Other sales revenues	202.2	1.0	166.2	0.8	148.7	0.7
	Total	12,184.1	57.6	11,899.0	54.8	10,892.6	53.9
Other income ⁽⁴⁾		568.0	2.7	404.9	1.8	430.6	2.1
Total revenues ⁽⁵⁾		21,190.7	100.0	21,667.9	100.0	20,245.0	100.0

Note:

(1) Centara Grand Beach Resort Samui has been closed for renovation since 1 June 2019.

(2) Included revenue from Centra by Centara Government Complex Hotel & Convention Centre Chaeng Watthana since 1 January 2018.

(3) Other revenues from hotel operations for the year 2019 and 2018 are reclassified to other income⁽⁴⁾

(4) Other income comprised hotel management fee, rental and service fee, marketing support fund and subsidy, and insurance claim etc.

(5) Total revenues did not include amortization of rental income (from the property fund) relating to the Centara Grand Beach Resort Samui Project for the year 2019 of Baht 100.3 million (FY2018 and FY2017: Baht 100.3 million each).



RISK FACTORS

Central Plaza Hotel Public Company Limited is committed to promoting risk management to be an important part of corporate culture by creating a risk management policy framework to be used as a guideline for formulating corporate strategy and business operations to ensure I sustainable returns in the long term for all stakeholders in the hotel and food business groups. All risks that may affect the company in achieving its objectives and strategies must be identified in a timely manner and assessed in level both in terms of probability and impact. Then, the cost and benefit of controlling and managing the risks at the acceptable level through appropriate measures will be considered to ensure that the company has prevented unacceptable losses and has continuously monitored the company’s risk management to ensure that business risks are properly handled.

Apart from this, the company announced sustainable development policies covering the economic, social, and environmental dimensions, determined the integrated risk management structure and sustainable development, and appointed the committee with clearly specified duties and responsibilities to regularly report to the board of directors.

The company is well aware that uncertainty tends to increase in every dimension and it may inevitably affect the business; as a result, the company

recognises the development through policy reviews and use of appropriate tools in a timely manner.

During the past year, the company installed a new operating system widely known in the hotel industry to ensure speed, modernity, and ability to cope with cybercrime threat in all forms for customer confidence.

The company has announced a good ethics policy for employees at all levels and those involved in the business chain on the enhancement of corporate culture in conducting business transparently and fairly with all parties and created a channel for complaints for anyone seeking fairness or to report fraudulent behavior of people in the organisation.

The company has established preparatory measures following the government’s introduction of the Personal Data Protection Act 2019, which will come into effect from May 2020 onwards.

Business risks

1. Strategic Risk

The company has both short-term and long-term strategies to ensure balance and sustainable success, and requires regular reviews of those strategies to ensure that the company’s business operations do not

face risks arising from inappropriate strategic planning or implementation that is inconsistent with the changing situation. The company pays attention to data collection process for systematic analysis, identifies appropriate indicators for strategic planning, allocates resources in accordance with the strategic plan, communicates the strategic plan to ensure understanding across the organization, develops clear and appropriate operational plans, and monitors the progress following the action plan as follows:

1.1 Domestic Investment Risk

The company has set the strategies for additional domestic investment at an appropriate rate. COSI Samui Hotel was opened last year and COSI Pattaya Hotel will be opened in early 2020 to create flexibility in responding to customers and to reduce the risk of domestic investment including political instability and changes in travel destinations of Chinese and Indian tourists.

1.2 Foreign Investment Risk

In addition to owning and managing two hotels in Maldives, namely Centara Grand Island Resort and Spa Maldives and Centara Ras Fushi Resort and Spa Maldives, the company is committed to becoming a Thai hotel group at the international level. The company has adjusted its strategy to expand investment to countries in the ASEAN Economic Community (AEC), Indian Ocean, and popular tourist destinations. At the same time, the company has entered into a joint venture with business partners that have in-depth knowledge in the area and extensive experience in the Middle East region. The 607-room four-star Deira Islands Beach Resort is scheduled to open in the last quarter of 2020, an example of a joint venture with Dubai’s leading developer.

In addition, the company is considering the feasibility of investing in other interesting countries such as Japan and Vietnam to strengthen long-term growth. Nevertheless, the company recognises the risks and limitations as well as long-term uncertainty in investment in each country including industrial and technological advancement, social and environmental conditions, culture, tax system, laws and regulations, and exchange rate risk to ensure that the return on investment is as worthwhile as the company’s projection.

1.3 High Competition risk

Hotel Business

The tourism industry continues to grow in popularity aided by rising living standards and more affordable air travel globally. This has led to an increase in development in the hotel sector as investors seek to grab a slice of this potentially lucrative and growing business. This however has resulted in the escalation of intense competition in many popular tourism destinations. In addition to traditional hotel models the industry has been impacted by the growth in share economy competitors such as Airbnb and more traditional timeshare properties, further changing the dynamics of the accommodation sector. Overall consumer buying behaviors continue to evolve as they seek to book through digital channels vs. traditional booking methods such as retails agents or wholesalers. This trend is a reflection of the changing demographics with more teach savvy and confident travelers looking for meaningful independent holidays experiences.

The Company understands that for the hotel business to achieve its goals, it is no longer only important to maintain the quality of hotel properties and services but that it must also be sustainable in its business

approach. This is a key future driver for customers satisfaction and building trust from both society and all related stakeholders.

As such the Company has a strategy to develop direct customer engagement in several ways, including the Centara Privilege Club program and Centara The1 program, coupled with a comprehensive marketing strategy to enhance the brand in order to gain broader reach and penetration globally.

Food Business

Today, the restaurant business is highly competitive, and existing operators continue to expand branches and acquire new food businesses to grow their existing businesses. There have also been more new entrants who seek to expand their business to the food industry since it is a market that is easier to enter than the hotel business, creating many new players in the market. However, the company plans to maintain its leading position in the restaurant business by launching new products, improving its stores to meet consumer needs, adjusting its business plan, and improving customer services to better respond to customer needs given the changing consumer behaviour which requires convenience and speed. The company also focuses on increasing sales through delivery services and increasing sales opportunities through product development. Moreove, the company has a clear plan to increase the variety of restaurants so the food business can meet the needs of consumers and sustainably grow despite the changes.

1.4 Economic Risk

Due to the sluggish domestic economy continuing from the previous year together with the declining number of tourists as a result of the baht appreciation, the company was unable to achieve its operational goals. On top of this, it has been affected by the coronavirus outbreak in China and other countries. To mitigate undesirable impact on the company’s business, various measures will be adopted to strengthen business operations by creating a variety of brands to cover all potential markets.

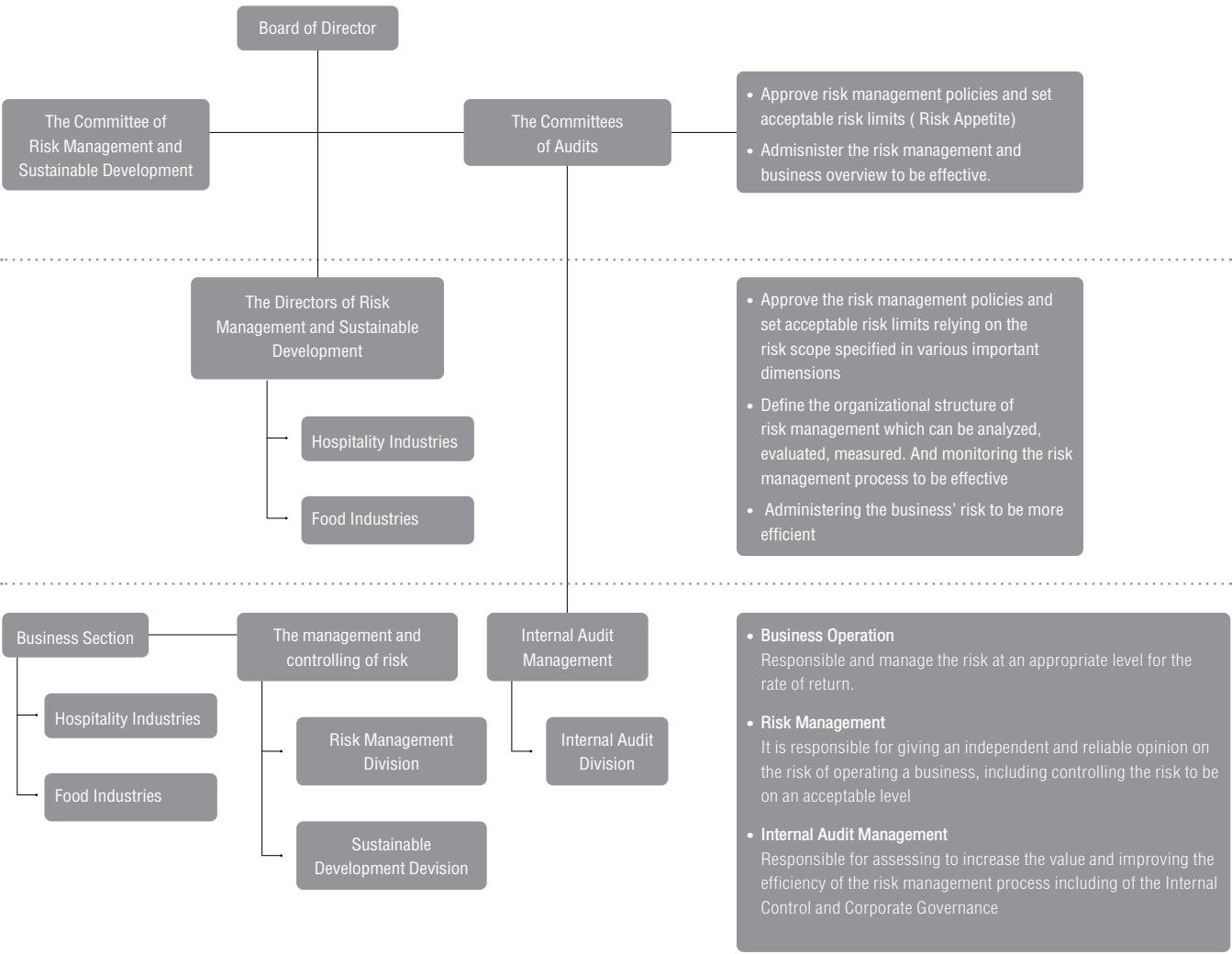
1.5 Climate Change and Natural Disaster Risk

Events that demonstrate climate change, global warming, season uncertainty, and extreme events such as heat waves, wild fires, droughts, and storms can affect the entire value chain. The company closely monitors this risk to assess business impact and has established the Business Continuity Management Policy (BCM) and Business Continuity Plan (BCP) both for the entire organisation and each department. Furthermore, the plan is regularly reviewed to determine necessary backup system and obtain appropriate insurance.

1.6 Risk of Inability to Acquire Desired Business Location

The restaurant business has become increasingly competitive and a good location is considered a crucial factor in the restaurant business, making acquiring rental space in department stores and good locations more difficult and challenging. This may result in the company not being able to acquire new rental space or to renew rent contracts under the same conditions. Despite the challenge, the company is a business partner with many renters both in Bangkok and other provinces. Moreover, the company is the country’s leading restaurant operator and has products and services which are popular among consumers, helping attract customers to the department stores. Additionally, the company has had good relationships with the landlords for a long time as well as a good payment record and compliance with the lease agreements without issue with the landlords

Sustainability Management Process



and has consistently received contract extension. As a result, the company considers that such risk has no material impact on the company's business operations.

2. Financial Risk

The company has a policy to maintain continuous growth both in the hotel and food business. To achieve that goal, the company has the following relevant financial risks:

2.1 Liquidity Risk

The company closely monitors the liquidity of the business and manages both short- and long-term liquidity. In 2019, the company had a liquidity ratio 0.9 times, an decrease compared to 2018. To support the business growth plan through investment and development of new projects at an appropriate liquidity risk level, the company has set internal limits for important debt ratios such as interest-bearing debt to equity ratio not exceeding 1.5 times, which is lower than the level specified in the terms and conditions of the debentures and the terms of the loan contracts at 2.0 times. In 2019, the company had an interest-bearing debt ratio 0.5 times. The company also diversifies risk from concentration of funds using financial instruments and financial institutions. At the end of 2019, the company had outstanding loans with seven banks and has a well-allocated schedule to redeem the debentures.

In addition, the company regularly prepares cash flow projections to evaluate the cash flow status and ensure that there is sufficient fund to conduct and expand business.

2.2 Foreign Exchange Risk

The company and its affiliates have certain income in foreign currencies such as income from hotel management in other countries, dividends received from hotels in other countries, and income from travel agents in other countries. The income varies according to the foreign exchange rate. The company has certain expenses in foreign currencies such as franchise fees for express restaurant services and payment for certain ingredients purchased from manufacturers and distributors abroad. In general, the company and its affiliates use best efforts to offset the net foreign currency amount to reduce the effect of foreign exchange rate fluctuations. In the case of the hotel business, the company has set its own room rates using Thai baht as the primary currency for hotels in Thailand.

In expanding business to foreign markets, the company and its subsidiaries are exposed to foreign exchange risk through the currency that its foreign businesses use in operations. Regarding the investment, the company will borrow in the same currency as the expected cash flow from operations of the foreign businesses to naturally reduce the risk of foreign exchange rate fluctuations (Natural Hedge). The company is prepared to implement management measures if there is a dramatic change in exchange rate by adjusting its work processes and/or using financial instruments to prevent the risk if necessary.

2.3 Interest Rate Risk

To reduce the risk of interest rate fluctuations, the company has utilised both debentures in the capital market and loans from financial institutions with fixed interest rates that are appropriate to the financial structure in a relatively low interest rate environment. At the end of 2019, the company has a fixed interest-bearing debt ratio of more than 80 percent of total interest bearing liabilities, a management strategy to reduce the risk from interest rate changes.

3. Operational Risk

3.1 Risk Associated with the Recruitment of Talented Personnel with Positive Attitude

At the end of 2019, the company has a total of 43 operating hotels (8,093 rooms) and 1,064 restaurant branches in Bangkok and other provinces which require a large number of operational staff. If the company is unable to recruit new employees to support business expansion or to sufficiently replace the resigned employees in time, this may affect service quality of and the company's operations.

The company recognises the importance of its employees. Particularly in recruitment, the company has various channels for recruiting its employees whether through announcement at its head office and branches and online media and by offering a friend-to-friend programme to encourage employees to invite their friends or acquaintances to join the company. The company also enters into bilateral agreements with various educational institutions. To retain employees, apart from compensation, welfare and various benefits that the company offers at a competitive rate, the company has a training plan to provide knowledge to employees to develop their potential and give them the opportunity to showcase their talents to promote those with outstanding knowledge and skills to higher positions. Moreover, in terms of corporate culture, the company treats its personnel as if they were family members, which is vital to retaining employees at the company.

3.2 Information Management and Cyber Risks

To enhance the service capacity in the future, it is necessary to apply digital technology that can reach consumers through various channels quickly and completely and provide useful information for decision making. However, technological advancement can also increase security risks of a more complex information system.

The company recognises the importance of information as an important tool for business development; as a result, the company and its affiliates have implemented measures to prevent and manage cybercrime risk. The crime may be committed by criminals or by the company's own employees. The company has appointed the Data Protection Committee, determined the structure for managing data and important documents, and given the rights to access information or documents only to those with authority or relevant parties. Apart from that, the company also invested in a new operating system provided by a well-known software company in the hotel industry for speed, modernity, and ability to handle various types of cybercrime.

3.3 Technological Change Risk

Technological changes have disrupted traditional hotel business with new business processes and models that alter consumer behaviour. For example, online travel agencies allow consumers to compare various options for accommodation by reading written and independent records of other people's personal experiences. Therefore, to maintain customer base and competitiveness, the company needs to develop an online channel that is integrated with modern operating systems to help obtain better information for business decisions. Thus, the company has invested in the new technological architecture of Centara hotels and improved hotel management systems, central reservation system, and revenue management system. The company plans to apply the new systems in all hotels by the end of 2019. Moreover, in 2019, the company will enhance the new Centara Hotel website to create a digital experience for its guests

and customers that is accessible by computer, mobile phone, and mobile application to support continuous growth in online business.

For the food business, disruption comes from the growth of the food delivery service, which has experienced tremendous growth in the past years. The company realises that the growth of food delivery service is a good business opportunity and channel to reach more consumers even if doing so will increase the number of players and competition in the market. Currently, the company is working closely with online food delivery service providers and is in the process of developing its own online food ordering and delivery system along with a new point of sale system to meet the increasing demand for food delivery.

3.4 Risk of Not Being Able to Renew the Contract and Changes in Important Terms and Conditions of the Contract

The franchise contracts that the company has entered into with the franchisors have a duration of 10 to 20 years. If the company's contracts are not renewed, the company will be unable to operate under the brand. However, in selecting franchisees, franchisors will consider the readiness of franchisees including their financial status, reputation, and past performance to ensure that the franchisees will be able to bring the brands to success. In considering the renewal of the franchise contracts, the franchisors' decisions will be based on the same principle. From past records, the company has been able to meet the terms and conditions of the franchisors. This is proven by the company's ability to successfully manage various brands and become the market leader in the food business in Thailand. The company also conducts business by strictly discussing with the franchisors; therefore, it can be sure that the franchisors' products which reach consumers' hands will have the quality that meets the standards as specified by the franchisors. From the reasons mentioned above, the company is confident that the company has a great opportunity to receive franchise contract renewals. Additionally, the company plans to introduce their own brands in the future.

3.5 Risk of Raw Material Price Fluctuations

The price of raw materials used in the food business can be changed by many factors including weather conditions, labour issues, and spread of communicable diseases in animals or plants. If the company is unable to handle the risk, it may have a significant impact on the company's operations. The company has planned to prevent such risk to continuously control the cost of raw materials to be at an appropriate level by planning raw material procurement in advance according to the company's annual sales plan, categorising the types of raw materials, and purchasing each type of raw materials with an aim of increasing the purchase quantity and bargaining power in price. Moreover, the company has entered into contracts to purchase raw materials in advance with manufacturers or distributors that the company trusts with price, quantity, and delivery time clearly specified in the contracts.

3.6 Risk of the Disease Outbreak in Plants or Animals

The spread of diseases in plants or animals is considered a risk factor that is difficult to control. Since disease outbreak affects consumers' confidence and the company's revenue, the company has a strict procedure for selecting manufacturers of raw materials. Every raw material must pass the production and transportation process standard and receive an internationally recognised production certificate. During the selection process, the company and the franchisors jointly select the manufacturers to ensure that the raw materials used will be of good quality, clean, safe,

contamination-free, and meet the same standard as other franchises around the world.

4. Compliance Risk

4.1 Legal Risk

Legal risk involves failure to understand the regulations, laws, policies, and requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission, which are ever-changing. The company and its subsidiaries focus on systematic operations, determine the responsibility of those involved, and conduct regular monitoring. The company's Secretariat is responsible for coordinating with the Stock Exchange and the SEC to ensure understanding of new regulations and communicating with business units accurately in accordance with good corporate governance.

4.2 Fraud and Corruption Risk

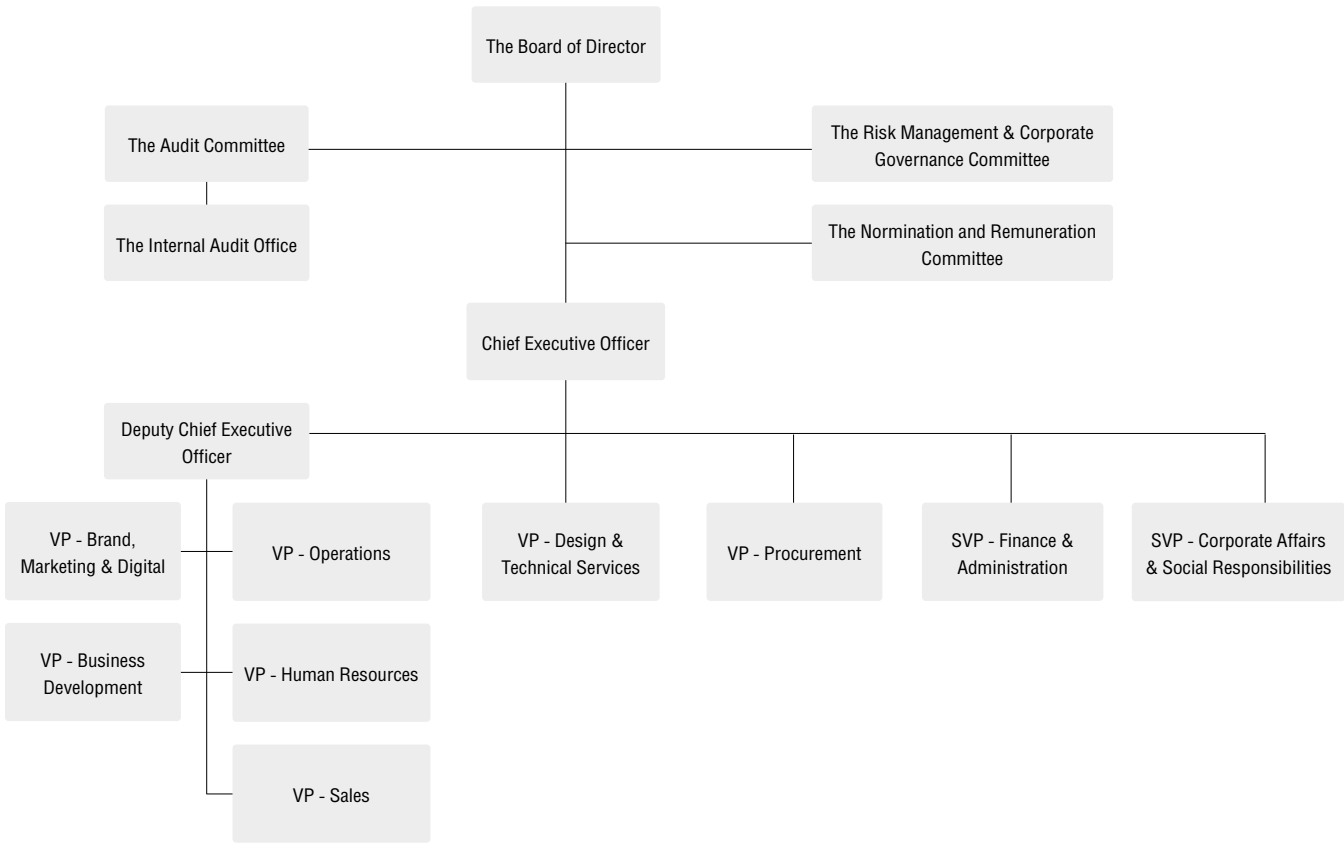
Corruption is a systemic problem; therefore, no single organisation is able to cope with the problem alone but rather the problem requires cooperation from all sectors in the society.

Accordingly, the company has joined Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), which is driven by the Institute of Directors (IOD) that reviews and issues certificates to companies that have policy and guideline to fight against corruption in accordance with the criteria set by the committee and determine to put those policy and guideline into practice. The company has conducted various risk assessments regarding fraudulent conduct and established various measures that are required to be implemented. Furthermore, the company has specified operational guideline which consists of an operational procedure which has sufficient details and requires an internal control system to ensure that the anti-corruption policy is both effective and efficient. The company also provides various communication channels that are safe for whistleblowers or complainants.

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
- 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 Board not be able to attend or undertake this duty, then the attending Directors will select one of their peers to act as the Chairman for that meeting

- Any decisions or resolutions of the Board of Directors must be based on a majority vote; whereby each Director has only one vote, and in the event of a tie then the meeting Chairman will cast an additional and deciding vote. Any Directors having a vested interest in a matter being considered must excuse themselves from the discussions and also has no right to vote for that specific matter

- The Board of Directors can invite members of the Management group or any other involved person(s) within the Company to join a meeting to clarify and make comments on, or to express their opinions relating to any matters being considered at the meeting

- Non-Executive Directors must meet together, at least once a year, without any Directors who are members of the Management group being present, in order to discuss and exchange opinions on the responsibilities and activities of the Management group.

- The Company Secretary (or a person assigned to do so) will be responsible for taking the minutes of the Board Meetings.

2. BOARD COMMITTEES

2.1 Audit Committee

The Audit Committee comprises of these Directors:

- | | |
|---------------------------------|----------|
| 1. Miss Sopawadee Lertmanaschai | Chairman |
| 2. Mr.Bhisit Kuslasayanon | Member |
| 3. Mr.Vichien Tejapaibul | Member |

Duties and responsibilities of the Audit Committee

1. Undertaking the activities assigned by the Board of Directors, in accordance with the Charter for the Audit Committee - with regard to reviewing and assessing, together with the external Auditors and the Internal Auditor, that the Company has in place an effective system of internal controls of that are appropriate and adequate; and reviewing the internal audit records and reports in the event of any conclusions and suspicions of possible abnormal or fraudulent activities as well as significant deficiencies in the internal controls system, as well as submitting its findings to the Board of Directors with recommendations for further consideration.

The Audit Committee is also responsible for considering and nominating independent persons to be appointed as external Auditors of the Company, together with proposing the associated remuneration package for the external Auditors. The Audit Committee is also required to meet with the external Auditors at least once a year without any members of the Management group being present.

2. The Audit Committee comprises of at least 3 Independent Directors, or as determined by the SEC, and consisting of the Chairman and respective Members, all of whom must possess all the required qualifications of being an Independent Director and able to render impartial judgments according to the assigned duties and responsibilities with full independence and in an equitable manner, as specified by the requirements of the SEC. Members of the Audit Committee must be knowledgeable and adequately experienced enough to carry out the required responsibilities as an Audit Committee member; whereby at least one member must be fully knowledgeable and well-experienced to review both the correctness and creditability of the Company's financial statements.
3. In every meeting of the Audit Committee, there must be a not less than one half of all the Audit Committee members attending the meeting to constitute a quorum.

4. A Member of the Audit Committee has a term of office of not more than 3 years or that which is equal to the remaining term of office as a member of the Board of Directors; whereby Members of the Audit Committee whose term of office has expired can be appointed as a Member again for another term. However, in the event that there is a vacancy in the Audit Committee, for any reason other than retirement due to the expiration of the term of office and retirement by rotation, then Company's Board of Directors will appoint a person possessing all the required qualifications to be a Member of the Audit Committee so that the Committee has the total required number of Members; whereby that replacement Member will be a member only for the remaining duration of the term of office of the Member being replaced.

5. The Director for internal Audit will be appointed concurrently as the Secretary to the Audit Committee, responsible for arranging and preparing for the meetings of the Audit Committee as well as coordinating all the required reports for submitting to the Board of Directors, investors, the Shareholders and the SET. The Secretary of the Audit Committee is required to attend all meetings of the Audit Committee but has not voting rights in any matters being considered and discussed; and is also able to

propose that an assistant to the Secretary be appointed.

6. The Audit Committee is required to meet at least 4 times a year to review the financial statements, the internal controls system, the risks management system, compliance to all the legal and regulatory requirements of the SET and the Public Companies Act. Notifications of scheduled meetings must be made not less than 5 days before the scheduled date of the meeting with the scheduled dates are determined in advance for the year, whereby all Members of the Audit Committee are required to attend at least 3 out of the 4 of the scheduled meeting during the year.

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 | Chairman |
| 2. Mr. Vichien Tejapaibul | Member |
| 3. Mr. Bhisit Kuslasayanon | Member |
| 4. Mr. Prin Chirathivat | Member |

Duties and responsibilities of the Nomination Committee

1. Propose, to the Board of Directors for approval, policies relating to the selection and nomination of Company Directors, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.
2. Propose, to the Board of Directions for consideration and approval, the selection and nomination of the Chief Executive Office of the Company, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.

3. 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.

4. Select and nominate persons with the required credentials, moral ethics, and appropriate qualifications credentials for being appointed as Directors and/or the Chief Executive Officer of the Company, as applicable.

5. Review the composition, total number and experiences of Company Directors to be appointed, together with those qualified nominees to fill any vacancies that occur.

6. Oversee and ensure that effective succession plans are in place for the positions of Company Directors and Chief Executive Office.

7. Determine the terms and conditions of the employment contract for the position of the Company Directors and Chief Executive Officer of the Company together with the associated succession plans.

Duties and responsibilities of the Compensation Committee

1. Determine and submit to the Board of Directors for consideration and proposal for eventual by the Shareholders Meeting, the policies and appropriate structure relating to the compensation and benefits of Company Directors that are in line with the established business strategies and operations of the Company, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.

2. Determine and propose, for consideration and approval by the Board of Directors, the policies and appropriate structure relating to the compensation and benefits of Chief Executive Officer that are in line with the established business strategies and operations of the Company, whereby the process as well as procedures needs to clear, equitable as well as appropriate and reasonable.

3. Recommend guidelines and process for payment of the compensation and benefits, both in the form of monies and in other forms, for the Board Directors, Members of Board Committees established by the Board, as well as for the Chief Executive officer of the Company.

4. Review and assess that the composition, structure and amount of compensation to be adopted are in line with the current market environment together with being 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.

5. Oversee and ensure that the Company Directors and the Chief Executive Officer receive the appropriate compensation and benefits package commensurate with the expected duties and responsibilities towards the Company.

6. Determine the performance evaluations process and procedures for Company Directors as well as the Chief Executive Officer that will facilitate the review and required annual compensation increase taking into consideration the required duties and relevant risks as well as giving importance to the long term value

added to the to the overall Shareholders equity in the long term.

7. Review and submit, for consideration and approval by the Shareholders Meeting, the proposed annual compensation package to be adopted for Company Directors.

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

1. Responsible for reviewing the policies, strategies and relevant organisation structure relating to overall management of risks, together with undertaking appropriate activities to ensure that the proposed strategic plans conform to the established acceptable levels of risks (or risks appetite) of the Company as wells to the requirements of all Stakeholders.
2. Support the overall operational activities of the respective risks management committees at the various operating levels.
3. Monitor and evaluate the effectiveness and efficiency of the overall risks management activities within the Company.
4. Understand and able to assess the various potential risks that may negatively affect the achievement of the established objectives and goals of the organisation, as well as ensure that such risks have been manage in an effective manner so that they at the level of risks acceptable for the Company.
5. Make recommendations regarding as well as and give concurrence to various risks management measures within the organisation.

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

1. The Board of Directors has clearly determined the structure and guidelines for determining the annual compensation package and other benefits for Board Directors, with comparisons being made to those Companies within the same industry sector, which are eventually submitting for approval by the Shareholders Meeting; whereby the Nomination and Compensation Committee will initially review and assess, in a fully transparent and equitable manner, that the total amount of monies to be paid in any year are commensurate with the required duties and responsibilities, as well as appropriate to other surrounding factors and the benefits to be received in return from each individual Director.
2. Those persons who are appointed as new Directors of the Company will receive a handbook that includes detailed information about the Company, its business operations and activities, the applicable legal and 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 2019, the Internal Audit Group had a total of 14 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:	52 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 Former 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 divided into 2 main Work Groups, in order to be efficient and appropriate for the present situation and operating environment, as follows:

1. Hotel Business
2. Food Business

The current budgeted total number of Internal Audit staff of CENTEL is not more than 15 persons.

DIRECTOR BIOGRAPHY

AS AT 31 DECEMBER 2019, BOARD OF DIRECTOR COMPOSED OF 11 PERSONS, DETAILS ARE AS FOLLOW

MR. SUTHIKIATI CHIRATHIVAT (Age 77 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 2019	
- The Board of Director’s meetings	<ul style="list-style-type: none">• 4/4

MR. SUTHICHAIR CHIRATHIVAT (Age 79 Years)	
Vice Chairman	
Date of being a director of the company : 12 December 1993	
% Shareholding in the Company : 18,021,373 shares (or 1.34% 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 2019	
- The Board of Director’s meetings	<ul style="list-style-type: none">• 4/4

MR. BHISIT KUSLASAYANONT (Age 78 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 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 2019	
- The Board of Director's meetings	<ul style="list-style-type: none">• 4/4
- Audit Committee's meeting	<ul style="list-style-type: none">• 8/8
- Nomination and Compensation Committee's meeting	<ul style="list-style-type: none">• 2/3
Information regarding to appointed	
The relationship in the Company, Subsidiary, Associated Company or other Independent director conflicted business entity in present of during the past 2 years	
- <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 67 Years)	
<ul style="list-style-type: none">• Independent Director• Chairman 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.• Director, General Hospital Products Public Co., Ltd.
- Non Listed Company	<ul style="list-style-type: none">• 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 2019	
- The Board of Director's meetings	<ul style="list-style-type: none">• 4/4
- Audit Committee's meeting	<ul style="list-style-type: none">• 8/8
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	
- <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)	

MR. VICHIEEN TEJAPAIBUL (Age 80 Years)	
<div><div></div><div><div>• Independent Director</div><div>• Member of Audit Committee</div><div>• Member of Nomination and Compensation Committee</div></div></div>	
Date of being a director of the company : 12 December 1993	
% Shareholding in the Company : None	
Education	<div><div></div><div><div>• B.A. (Business Administration), Boston University, USA</div><div>• National Defense College, The Joint State - Private Sectors Course, Class 2</div><div>• King Prajadhipok’s Institute, Class 1</div><div>• Diploma in Capital Market Academy, Class 10</div><div>• National Defence College, Advance Security Management Program, Class 3</div></div></div>
Completed Program from Thai Institute of Directors (IOD)	<div><div></div><div><div>• 2006, Finance for Non-Finance Directors (FND)</div><div>• 2004, Director Accreditation Program (DAP)</div></div></div>
Experience	<div><div></div><div><div>• Vice Chairman, Srinakorn Bank Ltd.</div><div>• Managing Director, Srinakorn Bank Ltd.</div><div>• Senator</div><div>• Advisor, Thailand Trade Representative (Dr. kantathi suphamongkhon)</div><div>• Advisor, Chairman of Senator (General Teeradej Meepien)</div><div>• Chairman, Funding Management Committee of Huachiew Chalermprakiet University</div><div>• Vice president, Huachiew Chalermprakiet University Council</div></div></div>
Other Current Positions	
- Listed Company	<div><div></div><div><div>• Director, Asia Fiber Plc.</div></div></div>
- Non Listed Company	<div><div></div><div><div>• Chairman, Phatra Sathit Co. Ltd.</div><div>• Chairman, Pacific Park Sriracha Group Co., Ltd.</div><div>• Director, Tejapaibul Co., Ltd.</div><div>• Director, Utah Capital Co., Ltd.</div><div>• Director, Worawat Co., Ltd.</div><div>• Director, Sedthakarn Co., Ltd.</div><div>• Director, Pracha Nu Khro Co., Ltd.</div><div>• Honorary Chairman, Thai Chamber of Commerce and Council of Thailand Chambers</div><div>• Honorary Advisor, Thai Chamber of Commerce University</div><div>• Vice Chairman, Poh Teck Tung Foundation</div><div>• Chairman, Thian Fah Foundation Hospital</div></div></div>
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<div><div></div><div><div>• None</div></div></div>
Meeting Attendance in 2019	
- The Board of Director’s meetings	<div><div></div><div><div>• 4/4</div></div></div>
- Audit Committee’s meeting	<div><div></div><div><div>• 7/8</div></div></div>
- Nomination and Compensation Committee’s meeting	<div><div></div><div><div>• 3/3</div></div></div>

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 77 Years)	
<div><div></div><div><div>• Independent Director</div></div></div>	
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)	
Education	<div><div></div><div><div>• Hotel and Catering School Bad Ueberkinger, Germany</div><div>• Senior Hotel Management Institute Heidelberg, Germany</div><div>• Diploma/Bachelor of Business Administration (equivalent)</div><div>• Vice President Students Organisation</div></div></div>
Completed Program from Thai Institute of Directors (IOD)	<div><div></div><div><div>• None</div></div></div>
Experience	<div><div></div><div><div>• President and Director of Centara Hotel & Resorts</div><div>• Managing Director of Centara Hotel & Resorts</div><div>• Executive Vice President of Centara Hotel & Resorts</div><div>• Vice President – Operations of Centara Hotel & Resorts</div><div>• General manager of ACCOR Group</div><div>• General manager and Regional Manager of ACCOR Group</div></div></div>
Other Current Positions	
- Listed Company	<div><div></div><div><div>• None</div></div></div>
- Non Listed Company	<div><div></div><div><div>• None</div></div></div>
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<div><div></div><div><div>• None</div></div></div>
Meeting Attendance in 2019	
- The Board of Director’s meetings	<div><div></div><div><div>• 4/4</div></div></div>

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. SUDHITHAM CHIRATHIVAT (Age 72 Years)	
<div><div></div><div><ul style="list-style-type: none">• Director• Member of Nomination and Compensation Committee• Member of Risk Management and Corporate Governance Committee</div></div>	
Date of being a director of the company : 24 April 2003	
% Shareholding in the Company : 16,016,654 shares (or 1.19 % of paid up shares)	
Education	<ul style="list-style-type: none">• MBA (Operations Research), Lona University, USA• Bachelor degree of Electrical Engineering, University of Maryland (College Park), USA• National Defense College, The Joint State - Private Sectors Course, Class 13
Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none">• 2003, Director Certification Program (DCP)
Experience	<ul style="list-style-type: none">• Director, The Thai Chamber of Commerce• President, Rotary Club Bangkhen• 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 2019	
- 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">• 3/3
- Risk Management and Corporate Governance's meeting	<ul style="list-style-type: none">• 4/4

MR. PRIN CHIRATHIVAT (Age 57 Years)	
<div><div></div><div><ul style="list-style-type: none">• Director• Member of Nomination and Compensation Committee• Member of Risk Management and Corporate Governance Committee</div></div>	
Date of being a director of the company : 29 April 1994	
% Shareholding in the Company : 29,263,374 shares (or 2.17% of paid up shares)	
Education	<ul style="list-style-type: none">• MBA (Business Management) Sasin Graduate Institute of Business Administration, Chulalongkorn University• B.A. (Accounting) Skidmore College, USA• National Defense College, The Joint State - Private Sectors Course, class 22• 2004, Diploma in Capital Market Academy, Class 1• Institute of Security Psychology, Class 73• Advanced Certificate Course in Public Economics Management for Executives (King Prajadhipok's Institute), Class 4
Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none">• 2010, Advanced Audit Committee Program• 2009, Monitoring Fraud Risk Management (MFM), Monitoring of Quality of Financial Reporting (MFR)• 2008, The Program of Senior Executive on Justice Administration (Class 13)• 2007, Monitoring the Internal Audit Function (MIA) Monitoring the System of Internal Control and Risk Management (MIR)• 2006, Chief Financial Officer• 2005, Director Accreditation Program (DAP), Audit Committee Program (ACP), The Role of Chairman (RCP)• 2000, Director Certification Program (DCP)
Experience	<ul style="list-style-type: none">• Chairman of Audit Committee, Bualuang Securities Plc.• Advisor, Market For Alternative Investment (MAI)• Director, Malee Sam Pran Plc.• Director, Thanamitr Factoring Plc.• Director, Indra Insurance Plc.• Executive director, Interlife John Hancock Life Insurance Plc.• Director, General Guard Service Co., Ltd.• Executive director, Central Department Store Co., Ltd.• Investment Banking, Thanachart Securities Plc.
Other Current Positions	
- Listed Company	<ul style="list-style-type: none">• Member of Audit Committee, Bumrungrad Hospital Plc.• Director, Member of Risk Management Committee and Advisory of Nomination and Remuneration Committee, Central Pattana Plc.• Director, Robinson Department Store Plc.
- Non Listed Company	<ul style="list-style-type: none">• Director, Member of Executive Committee, Deputy Group CEO, Central Group of Companies Co., Ltd.• Director and Executive Director, Central Retail Corporation Ltd.• Steering Support Committee, Chiangrai Rajabhat University
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">• 3/4
- Risk Management and Corporate Governance's meeting	<ul style="list-style-type: none">• 4/4

MR. SUDHISAK CHIRATHIVAT (Age 74 Years)	
<ul style="list-style-type: none">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	<ul style="list-style-type: none">B.A. (Mathematic), St. John Fisher College, USA
Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none">2007, Director Accreditation Program (DAP), Director Certification Program (DCP)
Experience	<ul style="list-style-type: none">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	<ul style="list-style-type: none">Chairman, Robinson Department Store Plc.Director, Central Pattana Plc.
- Non Listed Company	<ul style="list-style-type: none">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)	<ul style="list-style-type: none">None
Meeting Attendance in 2019	
- The Board of Director's meetings	<ul style="list-style-type: none">4/4

MR. NORACHIT SINHASENI (Age 65 Years)	
<ul style="list-style-type: none">Independent Director	
Date of being a director of the company : 8 November 2019	
% Shareholding in the Company : none	
Education	<ul style="list-style-type: none">Honorary Doctor of Arts, Political Science Program in International Relations, Kasem Bundit UniversityMaster's Degree from The Fletcher School of Law and Diplomacy, USABachelor of Laws, Chulalongkorn UniversityLeaders in Development, The Kennedy School of Government Harvard University, USADiploma, National Defence College, The National Defence Course Class 4313The Civil Service Executive Development Program Class 20, Office of the Civil Service Commission (OCSC)Capital Market Leader Program Class 20, Capital Market Academy
Completed Program from Thai Institute of Directors (IOD)	<ul style="list-style-type: none">2009 Director Certification Program (DCP)
Experience	<ul style="list-style-type: none">Permanent Secretary, Ministry of Foreign Affairs of ThailandConstitution Drafting Commission (CDC)Chairman of the board, Thailand FoundationThe committee, Prince Mahidol Award FoundationExecutive Committee, King Prajadhipok's InstituteThe committee, Tourism Authority of Thailand
Other Current Positions	
- Listed Company	<ul style="list-style-type: none">None
- Non Listed Company	<ul style="list-style-type: none">Law Councillor, Council of State
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 2019	
- The Board of Director's meetings	<ul style="list-style-type: none">n/a

Note: Appointed as a director on 8 November 2019

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)

LIST OF SHAREHOLDERS

MR. THIRAYUTH CHIRATHIVAT (Age 54 Years)	
<div><div></div><div><div>Member of Risk Management and Corporate Governance Committee</div><div>Chief Executive Officer</div></div></div>	
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	<div><div></div><div><div>Master degree of Food, Hotel and Tourism Management, Rochester Institute of Technology, Rochester, USA</div><div>Bachelor degree of Political Science, Chulalongkorn University</div><div>2016, National Defense College, The Joint State - Private Sectors Course (Class 58)</div><div>2011, The Program of Senior Executive on Justice Administration (Class 15)</div><div>2008, TLCA Executive Development Program (Class 1)</div><div>2003, Program for Management Development, Executive Education Harvard Business School</div><div>1997, Finance for Management, Chulalongkorn University</div><div>1996, Mini MBA Program, Chulalongkorn University</div><div>1993, Psychology Institute, National Defense College</div></div></div>
Completed Program from Thai Institute of Directors (IOD)	<div><div></div><div><div>2002, Directors Certification of Program (DCP)</div></div></div>
Experience	<div><div></div><div><div>Senior Vice President - Project Management</div><div>Vice President - Project Management</div><div>Director of Project Management and Procurement</div><div>Promotion & New project Manager</div><div>Food and Beverage Coordinator, Centara Hotels & Resorts</div><div>Assistant Manager, Marriott Hotel & Resort, Park Ridge, NJ, USA</div></div></div>
Other Current Positions	
- Listed Company	<div><div></div><div><div>None</div></div></div>
- Non Listed Company	<div><div></div><div><div>Director of Subsidiary Companies, Centara Hotels & Resorts</div></div></div>
Other companies which materially compete directly or have related business with the Company (possible conflict of interest)	<div><div></div><div><div>None</div></div></div>
Meeting Attendance in 2019	
- The Board of Director’s meetings	<div><div></div><div><div>4/4</div></div></div>
- Risk Management and Corporate Governance’s meeting	<div><div></div><div><div>4/4</div></div></div>

THE MAJORITY OF SHAREHOLDERS

The top 10 of majority shareholders as of 30 December 2019*, as follows

Shareholder	Number of Shares	%
1. Tiang Chirathivat Co.,Ltd	67,523,190	5.00
2. Mr. Niti Ostanukrau	36,129,511	2.68
3. Thai NVDR Company Limited	36,129,267	2.68
4. Mr. Suthikiati Chirathivat	31,070,141	2.30
5. Mr. Prin Chirathivat	29,263,374	2.17
6. Mr. Tos Chirathivat	28,976,874	2.15
7. DBS BANK LTD **	23,000,000	1.70
8. Deutsche Bank AG Singapore PWM **	22,963,360	1.70
9. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	22,421,862	1.67
10. Mr. Pichai Chirathivat	20,114,543	1.49

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 2019, are as follows:

No.	Name	Position	No. of shares As at January 1, 2019				Change in No. of shares ⁽¹⁾ Increased / (Decreased) during 2019			No. of shares As at December 30, 2019			Shareholding (%) As at December 30, 2019
			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		-	196,900	-	2,278,073	15,743,300	18,021,373	1.33
3	Mr. Bhisit Kuslasayanon	Independent Director Member of Audit Committee Member of Nomination and Compensation Committee	-	-	-		-	-	-	-	-	-	-
4	Miss Sopawadee Lertmanaschai	Independent Director Chairman 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 Chairman 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. Norachit Sinhaseni	Independent Director	-	-	-		-	-	-	-	-	-	-
11	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
12	Mr. Timothy Markland Blaiklock	Deputy Chief Executive Officer	50,000	-	50,000		-	-	-	50,000	-	50,000	0.00
13	Mrs. Supatra Chirathivat	Senior Vice President - Corporate Affairs & Social	2,436,376	-	2,436,376		-	-	-	2,436,376	-	2,436,376	0.18
14	Mr. Ronnachit Mahattanapreut	Senior Vice President - Finance & Administration / Secretary	158,000	-	158,000		-	-	-	158,000	-	158,000	0.01
15	Mr. Andrew Langston	Senior Vice President of Business Development	-	-	-		-	-	-	-	-	-	-
16	Mr. Thirakiati Chirathivat	Vice President - Procurement	16,921,000	-	16,921,000		-	-	-	16,921,000	-	16,921,000	1.25
17	Mr. David Robert Good	Vice President Operations	-	-	-		-	-	-	-	-	-	-
18	Mr. Thomas Thrussell	Vice President - Brand, Marketing & Digital	-	-	-		-	-	-	-	-	-	-
19	Mr. Adrian Hardwick Jones	Vice President - Design & Technical Service	-	-	-		-	-	-	-	-	-	-
20	Miss Rujapa Hamnilrat	Vice President - Human Resources	-	-	-		-	-	-	-	-	-	-
21	Miss Tabatha Ramsay	Vice President - Commercials	-	-	-		-	-	-	-	-	-	-

Remarks: (1) The acquisition and disposition of securities were disclosed under an quarterly report on shareholding of directors and executive officers (Form 59)

(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 2019 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 2019 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				370,000
	Member of Audit Committee Chairman		8/8			270,000
	Member of Nomination and Compensation Committee			2/3		60,000
Ms. Sopawadee Lertmanaschai	Independent Director	4/4				390,000
	Chairman of Audit Committee		8/8			290,000

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		7/8			210,000
	Member of Nomination and Compensation Committee			3/3		90,000
Mr. Gerd Kurt Steeb	Independent Director	4/4				360,000
Mr. Sudhitham Chirathivat	Director	4/4				360,000
	Chairman of Nomination and Compensation Committee			3/3		100,000
	Member of Risk Management and Corporate Governance Committee				4/4	120,000
Mr. Prin Chirathivat	Director	3/4				330,000
	Member of Nomination and Compensation Committee			3/3		90,000
	Member of Risk Management and Corporate Governance Committee				4/4	120,000
Mr. Sudhisak Chirathivat	Director	4/4				360,000
Mr. Norachit Sinhaseni ^{/1}	Independent Director	-				-
Mr. Thirayuth Chirathivat	Chief Executive Officer	4/4				240,000
	Member of Risk Management and Corporate Governance Committee				4/4	120,000
	Total					5,140,000

/1 The Board Meeting No.4/2019 passed a resolution to appoint Ms. Norachit Sinhaseni to be an independent director effective from 8 November 2019.

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 organizational 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 2019 are as follows

Salaries and Bonuses paid to 11 executive management team members in 2019 amounted to Baht 85,972,255

Other Remunerations

(a) Meal allowance

The company provides meal allowance’s restaurant to Board of Director the amount of Baht 80,000 In 2019, The Board of Director consumed at the actual amount of Baht 475,766.

(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:

	2018	2019
AUDIT FEE	10,444,400	10,510,460
NON-AUDIT FEE	- 0 -	- 0 -



GOOD CORPORATE GOVERNANCE

The Board of Directors of the Central Plaza Hotel pcl. is fully committed to manage the orgainsation through adherence to the principles of good corporate governance, and fully recognises the importance of good corporate governance practices in enhancing the organisation’s potential competitiveness - for both the immediate and longer tem. Additionally, such practices will create further trust and confidence on the part of investors, financial instiutions, business partners, and all our Stakeholders.

In operating a business that will grow and develop towards achieving economic added value for the Shareholders as well as a balance of benefits to be gained by all Stakeholders and the Company, the Board of Directors have determined core management policies and business practices to be implemented in the operations of the businesses; whereby these core policies and practices are based upon the principles of good corporate governance, full transparency, accountability to all Stakeholders and responsibility towards society. These core policies and business practices will serve as guidelines for Directors, Management, and all Employees of the Company; whereby the Board of Directors have regularly reviewed and updated such policies and practices, so that they are always timely and relevant to the current business environment.

POLICIES on GOOD COPORATE GOVERNANCE:

The Board of Directors, Management and all Employees have been made aware of the the required business ethics and abovementioned policies on good governance, so that they can adopt them as part of their working disciplines; whereby the Company has communicated to everyone in the organisation the need to adhere to these ethical and good governance practices through the Company’s website (<http://www.centarahotelsresorts.com>), within the orientation programme for all new employees, as well as via internal PR posters.

The core policies and practices relating to the principles of good corporate governance comprises of 5 key components as follows:

1. RIGHTS OF SHAREHOLDERS

The Company recogises the principles of and places great importance to protecting the rights of all Shareholders, ie:

- Support and ensure that every Shareholders - whether they are majority Shareholders, minority Shareholders, institutional investors or foreign shareholders alike – receive the same basic rights, and are all treated in an equal manner.

Not act in any way that will violate or deprive Shareholders of their entitled rights. This includes limiting any opportunity for Shareholders to receive any relevant information and communications regarding the Company, or to attend Shareholders Meetings; ie: the right to be registered as a Shareholder of the Company; the right to exchange or transfer the ownership of those shares owned by the Shareholder; the right to receive relevant and accurate information and news, of any significance, relating to the Company on a regular basis and in

a sufficient manner; the right to attend Shareholders Meetings of the Company; the right to appoint or dismiss, and to approve the remuneration of, Directors of the Company; the right to appoint external Auditors of the Company; the right to receive a share of the Company’s profits or dividend payments; and the right to participate in the decision making process on, or to be informed about, any important changes to basic operational factors of the Company.

- Inform and communicate details regarding the exercise of any Shareholders rights via the SET’s news network or through the Company’s website, taking into consideration the right of Shareholders to be informed on an equal basis and ensuring not to act in any way as to restricting full access to any information or news about the Company.

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 Nofication to attend the Shareholders Meeting, togthter 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.

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 consise 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 netork 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 Meeitng.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company places great importance in each and every Shareolder 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 person 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 Diretors, 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 undetake, it must 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 propsed 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 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 acces 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 benficial for the country and conform to the applicable laws and regulations. The Company also agrees with the guidelines and participates in various projects relating to anti-corruption initiatives, as well as fully supports all activities that aim to instill in all staff and employees the need to always act in accordance with all relevant and applicable laws and regulations.

OPERATING POLICIES & PROCEDURES GUIDELINE

1. Policy on Protecting and Use of Inside Information

CENTRAL PLAZA HOTEL Pcl.(CENTEL) is a SET public listed company; and, as such, having a policy relating to the protection and use of any ‘inside information’ is of critical importance.

The Company’s staff must not make use of any confidential ‘inside information’ relating to the Company, that has not yet been disclosed to the general public, in an improper or illegal manner for the sake of personal gain or that of others. Any disclosures of such important Company information must be done by only those authorised to do so; whereby such authorised disclosures must be done on 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.

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. Board Diversity

The Board recognizes the benefits of diversity and considers it an important element in effective decision-making and management. Board diversity has been considered from a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge. The search for board candidates is conducted, and appointments made, on merit, using objective selection criteria that recognizes, among other things, the benefits of diversity.

13. Policies Relating to Anti-Corruption Guidelines

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.

Submitting information or complaints under the ‘whistle-blower program’

In the event that the various Stakeholders are suspicious of or come across any alleged breach or acts of non-compliance to the established anti-corruption policy as well as the associated measures and operating guidelines relating to preventing corruption and the code of business ethics for Board Directors, Management and Staff of the Company, they have the duty to inform, in a confidential manner, through the following established channels of communications:

- Office of the Secretary of the Audit Committee

Telephone (02) 769-1234 Extn 6658

Email whistleblower_centel@chr.co.th

Postal Address the Audit Committee

Central Plaza Hotel Pcl.
999/99 Rama 1 Road, Pathumwan, Pathumwan; Bangkok 10330

• Office of the Company Secretary

Telephone (02) 769-1234 Extn 6131

Email co.secretary_centel@chr.co.th

Postal Address Office of the Company Secretary
Central Plaza Hotel Pcl.
999/99 Rama 1 Road, Pathumwan, Pathumwan; Bangkok 10330

4. Information Disclosures and Transparency

1. Information Disclosures

The Company places great importance to regular, open, accurate, comprehensive, and timely communications, regardless of the fact that the information being communicated is positive or negative by nature. Thus, the disclosure of information by the Company is in full accordance with the established and applicable information disclosure procedures, regulations and requirements as specified by the SEC and SET.

The processes for the disclosure of both important financial and non-financial information by the Company are as follows:

- Importance is given to the disclosure of both financial and non-financial information that is accurate, and comprehensive, as well as in a transparent and timely manner and with maximum coverage, so that all interested investors and Stakeholders can have regular access to credible and sufficient information to make investment decisions.
- Disclosure of Company-related information and news that will be of value and interest to minority Shareholders, institutional investors, securities analysts and the general public - both in Thailand and overseas - on an equal and equitable basis, as well as through various channels of communications. In order to achieve widespread coverage, such disclosure is done via the Company's website, the SET news network, quarterly reports on the operating performance of the Company and also in the Company's Annual Report.
- Disclosures of important information to the general public includes: The Annual Statement of the Company (Form 56-1); the Company's Annual Report (Form 56-2), financial reports, details of majority Shareholders; Shareholders' rights in exercising their votes; details relating to the Company Directors and various Board Committees; required information disclosures to the SET; policy on dividend payments; the Company's report on good corporate governance policies and practices; business ethics and good business conducts in the operations of the Company's business; and various activities undertaken by the Company and its business plans.

2. Persons Responsible for Disclosing Information

- The Chief Executive Officer (CEO), or person assigned by the CEO, is responsible for disclosing Company-related information to the general public, based on the established

policies relating to the accuracy, comprehensiveness and timeliness of the information as well as to disclosing information in an equitable manner.

- The Company Secretary is responsible for the required disclosures of information to the SET and the SEC, as well as to Shareholders and investors.
- The member of the Senior Management responsible for financial and investor relations matters is responsible for giving information, as well as for responding to the questions or comments made by Shareholders, investors, securities analysts and the general public that involve financial information, operating performance results, business structure, corporate policies and strategies, business and investment plans, new projects in progress, Shareholders' structure, as well as any key factors that may have an impact on the business operations of the Company.
- The member of Senior Management responsible for marketing and public relations matters is responsible for giving information and responding to questions from the press and media and the general public that involve marketing plans and activities of the Company. Additionally, in any major event involving the Company, the PR Group must coordinate with the involved business unit to obtain relevant and accurate information, so that such information can be released, within the specific scope assigned, to the press and media for clarification.
- Those persons not responsible for or assigned by the Chairman of the Company in disclosing information about the Company must not disclose any information which may adversely impact the image and reputation of the Company, as well as any information that may also have an impact on the share price of the Company.

3. External Auditor and preparation of Financial Reports

The company has been audited by external Auditors, who are fully independent and possess the required qualifications, knowledge, expertise and experiences as specified, so that both the Board of Directors and the Shareholders can be confident that the audited Financial Statements of the Company and its Subsidiaries accurately reflect the true financial status and financial performance results.

The Board of Directors places great importance on and is responsible for the Financial Statements of the Company and its Subsidiaries, that are prepared, with all due care and in a comprehensive manner, in accordance with generally accepted accounting principles and standards, as well as are based on appropriate and correct accounting policies, so as to accurately reflect the actual operating results of the Company.

The Board of Directors has arranged for reporting and adequate disclosure of important operating results and financial information of the Company in a transparent manner to the involved parties, as required and on a regular basis; namely: SEC and SET. This is so that the information is of value and interest to all Shareholders and investors.

Additionally, the Board of Directors has established the Audit Committee to be responsible for reviewing the accuracy and creditability of the financial reports. The Audit Committee is also responsible for reviewing and ensuring that the existing system of internal controls

is both appropriate and adequate, so that the Board can be confident that the Financial Statements are correct and credible.

4. Important Information

- The Company will not disclose or give out important information that has not been made public to members of its staff, who are not authorized to have access to such information, nor to any investors, securities analysts and the press and media until 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 disclosing and making 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 expressing an opinion about such information without being authorized or assigned to do so.

Investor Relations (IR)

The Board of Directors is fully aware that disclosure of information accurately, completely transparently, and thoroughly is important to the decision of investors and shareholders. Therefore, the company has established the Investor Relations Department to be responsible for disclosing financial and non-financial information and building a good relationship with analysts, investors, shareholders, and the general public. The company discloses the information via diverse channels such as The Stock Exchange of Thailand (SET), The Securities and Exchange Commission, Thailand (SEC), Newspapers, Press Releases and the company's Investor Relations website (<https://investor.centarahotelsresorts.com>), which the information is regularly updated both in Thai and English.

The information includes:

- Corporate information such as group history, nature of business, vision and mission and organization chart
- Financial information, historical 5 years performance
- Stock information and investment calculator
- Publications such as an annual report (Form 56.2), Form 56-1, Management Discussion & Analysis (MD&A)
- Newsroom including SET announcement, news clippings, and press release
- Shareholder information such as notices to shareholders' meetings, minutes of shareholders' meetings and historical dividend payment
- Debenture information and credit rating
- Analyst coverage
- Webcast and presentation slides

The company presents regularly updated performance, business plan and outlooks to analysts, domestic and international investors through Investor Relations activities, which are the analyst meetings, roadshows, conference calls and attendance to opportunity days hosted by the Stock Exchange of Thailand and company visits.

Additionally, The company sets a silent period to analysts and investors of 14 days before submitting quarterly financial results to SET in order to avoid unfair release of information.

The key Investor Relations related activities in 2019 as follows:

Activities	Number of meetings	Number of companies/ investors
Analyst meetings	4	146
Company Visits	32	35
Roadshows	14	173
Opportunity days	4	60
E-mails/ Calls	9.4 / week	-
Site Visits	1	29

Interested investors may contact Investor Relations for additional information at 66(0) 2769 1234 ext 6640 or E-mail: ir@chr.co.th.

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 11 Directors

- Executive Directors 1 persons
- Non-Executive Directors 5 persons
- Independent Directors 5 persons

The Board consists of 5 independent directors out of a total of 11, accounting for more than one-third of the total. A list of independent directors' names and information appears under "Director Biography" on page 238 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 228

Meeting of Non-Executive Directors

The Board of Directors has determined that the non-executive directors shall mutually convene the meeting as appropriate without meeting attendance of the executive directors or the Management in order to give the opportunity for discussion on problems both related to the Company's

business such as management strategy and sustainable growth guideline, or other interested issues. In 2019, a Meeting of Non-Executive Directors was held on 4 November 2019.

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 Ms. Sopawadee Lertmanaschai 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 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.

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 2019, 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	63 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

- 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 disclosures 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 238

Training		Director's Name											
No.	Training course	Mr. Suthikiati Chirathivat	Mr. Suthichai Chirathivat	Mr. Bhisit Kusasayanon	Miss Sopawadee Lertmanaschai	Mr. Vichien Tejapaibul	Mr. Gerd Kurt Steeb	Mr. Sudhitham Chirathivat	Mr. Prin Chirathivat	Mr. Sudhisak Chirathivat	Mr. Norachit Sinhaseni	Mr. Thirayuth Chirathivat	
1	Advanced Audit Committee Program (AACP)												
2	Audit Committee Program (ACP)				•				•				
3	Anti-Corruption for Executive Program (ACEP)												
4	Chief Financial Officer (CFO)								•				
5	Corporate Governance for Capital Market Intermeditation Program (CGI)								•				
6	Director Accreditation Program (DAP)	•	•		•	•			•	•			
7	Director Certification Program (DCP)							•	•	•	•	•	
8	Monitoring the Internal Audit Function (MIA)								•				
9	Monitoring the System of Internal Control and Risk Management (MIR)								•				
1	Monitoring Fraud Risk Management (MFM)								•				
11	Monitoring the Quality of Financial Reporting (MFR)								•				
12	Role of Chairman Program (RCP)		•						•				
13	Successful Formulation and Execution of Strategy (SFE)				•								
14	Finance for Non-Finance Director (FND)					•							

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
- 4) board performance
- 5) Relationship with management
- 6) Director’s self-improvement and executive development.

Component II The Board gives its opinions and suggestions or identifies special issues of interest about its performance or different aspects of CENTEL’s operation.

- Procedure

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, prepare a summary report, and submit it to a Board meeting as an agenda item for acknowledgment and discussion. This year the Board also commented on the promotion of CENTEL’s leadership image and corporate governance, including social responsibility programs and anti-corruption practices.

2. Director's Self-evaluation Form

- Method

Designed to assist each director in reviewing and enhancing his/her performance, this evaluation form fully aligns with the Board’s legal obligation, CENTEL Director’s Charter and Code of Conduct, and the best-practice guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), by focusing on:

- 1) Director’s code of conduct and performance
- 2) Strategic formulation, supervision, and monitoring of CENTEL’s operation
- 3) Responsibilities toward stakeholders.

- Procedure

At the end of each year, the Company Secretary will send a self-evaluation form to every director, collect the completed forms, prepare a summary report, and submit it to a Board meeting as an agenda item for acknowledgment and discussion.

3. Subcommittee's Self-evaluation Form

All subcommittees including 1) Audit Committee, 2) Nomination and Remuneration Committee, and 3) Risks Management and Governance Committee must undertake annual selfevaluation, the outcomes of which are applied to boost their input to 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)	91.91%
The Board of Directors (individual)	93.20%

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 2019 averaged 75%, rated as “Fair”.



CONNECTED TRANSACTIONS

As of December 31, 2019 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 meeting of the Audit Committee 2/2020 on February 20, 2020 the Audit Committee was informed of all the connected transactions that took place during 2019, 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.

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (Baht Million)	For the Year 2019 (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	37.50	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	22.29	
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	30.85	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	0.70	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	0.71	
	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	16.21	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	0.65	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.

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (Baht Million)	For the Year 2019 (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	31.22	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	0.29	
	Centara International Management (Thailand) Co., Ltd. Management of Waterfront Suites Phuket Hotel for Tiang Chirathiwat Co., Ltd. The service fee is charged at the market rate when compared to other hotel management services.	0.00	0.00	2.75	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	6.16	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	337.75	
	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to Central Pattana plc.	3.89	5.02	2.36	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.
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	0.25	The Audit Committee reviewed the matter and is of the opinion that the seller is selling quality goods, with the agreed prices being in line with market rates, and that the purchase is in accordance with the normal procurement regulations and procedures.
2. Common Directors					
	The Central Plaza Hotel plc. provides F & B services to Central Trading Co., Ltd.	1.57	0.08	0.16	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)	For the Year 2019 (Baht Million)	Facts and Reasons	
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	31.22	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	0.29		
7. Harg 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.				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.	11.79	11.00		19.93
		- Central Restaurants Group Co., Ltd.	46.26	51.33		52.53
	The Central Plaza Hotel plc. provides banquet rooms and services to the Harg Central Department Store Co., Ltd.	10.47	3.00	8.18		
8. Office Club (Thailand) Co., Ltd.						
Relationship:						
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel Public Company Limited and subsidiaries Providing accommodation and selling Food and beverages to Central The One Co., Ltd. By service charge according to market price	n/a	n/a	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.	
9. Post Publishing Plc.						
Relationship:						
1. Common Majority Shareholders : Chirathivat Group	These Group Companies purchase newspaper and print advertising space from Post Publishing Plc. for use by its hotel guests and food services clients				The Audit Committee reviewed the matter and is of the opinion that the agreed process are in line with market rates, and that the purchase is in accordance with the normal procurement regulations and procedures; and that the proposed transaction is reasonable with maximum benefits for the Company.	
2. Common Directors						
	- Central Plaza Hotel plc.	4.64	4.04	3.99		
	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to the Post Publishing Plc.	3.18	6.78	3.18	The Audit Committee reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.	
10. Central Food Retail Co., Ltd.						
Relationship:						
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel plc. and Subsidiary Companies purchase goods from Central Food Retail Co., Ltd. for use by its hotel guests and customers.	3.99	4.12	4.35	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						

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (Baht Million)	For the Year 2019 (Baht Million)	Facts and Reasons
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	12.26	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	2.79	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.
CRG Manufacturing Co., Ltd. Selling ice cream to Central Food Retail Co., Ltd. By calculating the product price according to the market price					
		n/a	n/a	1.39	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.
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	0.00	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	10.04	
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	34.69	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 Samul 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	2.28	
	Centara Loyalty Marketing Co.,Ltd. (subsidiary company) pays the roomand 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	0.10	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	9.11	

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (Baht Million)	For the Year 2019 (Baht Million)	Facts and Reasons
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	15.98	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					
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	147.91	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	0.32	
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	1.02	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	0.00	The Audit Committee have reviewed the matter and is of the opinion that the proposed services charges are the same as for normal clients; and that the proposed transactions are reasonable.
16. 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	0.27	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 Public Company Limited and subsidiaries Serving food and Beverage to CRC Sport Co., Ltd. with service charge based on market price	n/a	n/a	0.09	
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	0.06	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)	For the Year 2019 (Baht Million)	Facts and Reasons
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	0.75	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 Restaurants Group Co., Ltd. rents space from CRC Thai Watsadu Co., Ltd. For use in selling food and beverages By charging rental and service fees Per square meter per month Or according to the percentage of sales Which is the market rate When compared to other landlords	n/a	n/a	5.38	
	The Central Plaza Hotel plc. sells hotel rooms and provides F & B services to CRC Thai Watsadu Co, Ltd.	0.00	0.07	0.51	
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	9.79	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					
20. Central Payment Co., Ltd..					
Relationship:					
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel Public Company Limited and subsidiaries buy vouchers instead of cash. From Central Payment Co., Ltd. for use in marketing	n/a	n/a	0.15	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	By calculating the price Gift voucher value				
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	33.91	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	13.06	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.
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	59.69	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.

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (Baht Million)	For the Year 2019 (Baht Million)	Facts and Reasons
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	0.77	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	8.79	
	- Central Restaurants Group Co., Ltd.	14.82	10.01	11.88	
	The Central Plaza Hotel plc and its subsidiaries provides hotel rooms and F&B services to the Central People Development Center Co., Ltd.	5.90	4.91	8.38	
	Central People Development Center Co., Ltd. rent consignment area from Central Plaza Hotel pcl. and its subsidiaries	0.00	1.53	1.77	
26. 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 subsidiaries subleased land from Central International Development Co., Ltd. in order to operate its hotel and associated business activities.	116.36	129.67	137.06	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					
27.Ploen Ruedee Co.,Ltd.					
Relationship:					
1. Common Majority Shareholders : Chirathivat Group	COSI Co., Ltd. has subleased the land from Ploen Ruedee Co.,Ltd. by paying for leasehold of 13.55 million baht throughout 30 years of sublease period and remuneration for the lease of 1.49 million baht for 3 year	n/a	n/a	0.70	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.CTARAF					
Relationship:					
1. Common Majority Shareholders : Chirathivat Group	Central Sukhontha Hotel Co.,Ltd., Central karon village Co.,Ltd.purchased fixed assets from CTARAF at the market price.	n/a	n/a	0.06	The Audit Committee reviewed the matter and is of the opinion that the agreed prices the same as for normal clients.
29. Central Online Co., Ltd.					
Relationship:					
1. Common Majority Shareholders : Chirathivat Group	Central Plaza Hotel plc. and subsidiary companies provided accommodation, food and beverages to Central Online Co., Ltd. at the market price.	n/a	0.02	0.09	The Audit Committee reviewed the matter and is of the opinion that the agreed prices the same as for normal clients.

Related Companies	Transaction Details	For the Year 2017 (Baht Million)	For the Year 2018 (Baht Million)	For the Year 2019 (Baht Million)	Facts and Reasons
30.R.M.L Leisure Private Limited					
Relationship:					
There are connected persons other than Central Plaza Hotel Plc. Holding more than 10 percent of the shares	Central Plaza Hotel plc., Central World Hotel Co., Ltd. Central Samui Beach Resort Co., Ltd. and Centara Maldives Private Limited provided management and other services for R.M.L. Leisure Private Limited. Management and service fees allocated based on workloads or working period In order to maximize human resources utilization.	n/a	n/a	12.18	The Audit Committee reviewed the matters and is of the opinion that; the management or service fee is fair and resonable.
	Central Plaza Hotel plc., And Mr.Suthikiati Chirathivat guaranteed loan of R.M.L Leisure Private Limited to bank at the market rate compared to bank rate.	n/a	n/a	7.12	The guarantee fee is fair and reasonable.
	Centara Import-Export Co., Ltd. provided goods to R.M.L Leisure Private Limited. product prices are calculated based on their procurement price, including processing fees based on market rates compared to other sellers.	n/a	n/a	5.54	The product and processing cost are fair and reasonable.
	Centara Loyalty Marketing Co., Ltd. (a subsidiary company) provided marketing services to build brand loyalty for R.M.L Leisure Private Limited, at the same price charged for the hotel group. (Including managed hotels)	n/a	n/a	1.70	The service fee is fair and reasonable
	Centara Management Headquarter Co., Ltd. managed R.M.L Leisure Private Limited. at the market rate when compared with managed hotels in the hotel group.	n/a	n/a	47.23	The agreed management fee is fair and reasonable.
	The related persons provided loans to R.M.L Leisure Private Limited for business operations. Interest calculated based on the market price compared to the bank's interest rates	n/a	n/a	1.38	The interest rate is fair and reasonable.
31. Centara Maldives Private Limited					
Relationship:					
There are connected persons other than Central Plaza Hotel Plc. Holding more than 10 percent of the shares	Central Plaza Hotel plc., And Mr.Suthikiati Chirathivat guaranteed loan of R.M.L Leisure Private Limited to bank at the market rate compared to bank rate.	n/a	n/a	12.18	The Audit Committee reviewed the matters and is of the opinion that; the management or service fee is fair and resonable.
	Centara Import-Export Co., Ltd. provided goods to R.M.L Leisure Private Limited. product prices are calculated based on their procurement price, including processing fees based on market rates compared to other sellers.	n/a	n/a	7.12	The product and processing cost are fair and reasonable.
	Centara Loyalty Marketing Co., Ltd. (a subsidiary company) provided marketing services to build brand loyalty for R.M.L Leisure Private Limited, at the same price charged for the hotel group. (Including managed hotels)	n/a	n/a	5.54	The service fee is fair and reasonable
	Centara Management Headquarter Co., Ltd. managed R.M.L Leisure Private Limited. at the market rate when compared with managed hotels in the hotel group.	n/a	n/a	1.70	The agreed management fee is a fair price same as other managed hotels.

GENERAL INFORMATION OF BUSINESSES
HELD BY THE COMPANY 10% UPWARD

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
1	Central Hua Hin Beach Resort Co., Ltd. 1 Damnernkasem Road, Hua Hin, Prachuab-Khirikhan Tel. : (032) 512-021 Fax : (032) 511-099	Centara Grand Beach Resort & Villas Hua Hin (249 rooms)	1,850,000 shares, at par 100 Baht each	1,183,104 shares	63.9%
2	Central Samui Hotel Management Co., Ltd. 38/2 Moo 3 Tambon Bophut, Koh Samui, Suratthani Tel. : (077) 230-500 Fax : (077) 230-522	Centara Grand Beach Resort Samui (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%
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%

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
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%
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%

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
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, Aroi Dee, Suki House, Soft Air, Kowlune	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%
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) Cosi Pattaya Wong Amat Beach (282 rooms)	5,000,000 shares at par 100 Baht each	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%

	Company	Nature of Business	Issued Ordinary Share	Issued Ordinary Share held by the Company	Percentage of Shareholding (%)
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	Registerd share capital of 18,000,000 Chinese Yuan paid up of 12,800,000 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	192,400,000 shares at par 1 HKD each	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%
40	Central South Pattaya Limited 999/99 Rama 1 Road, Pathumwan, Bangkok Tel. : (02) 769-1234 Fax : (02) 100-6232	Not operate yet	100,000 shares at par 10 Baht per share	99,997 shares	100.0%
41	Central Restaurants Group (HK) Limited Level 54, Hopewell Centre, 183 Queen's Road East, Hong kong	Holding Company	1 share at par 1 HKD per share	1 share (Owned by Central Restaurants Group Co., Ltd.)	100.0%
42	Centara Singapore Private Limited 80 Robinson Road, #02-00, Singapore (068898)	Holding Company	7,000,000 shares at par 1 USD per share Paid-up 1,000,000 USD	7,000,000 shares (Owned by Centara Management Headquarter Co., Ltd.)	100.0%
43	Centara Lagoon Private Limited 6 th Floor, Aage 12 Boduthakurufaanu Magu Maafannu, Republic of Maldives	Not operate yet	Registered share capital of 10,000,000 shares Par value 1 USD per share	9,999,999 shares (Owned by Centara Capital Limited)	100.0%
44	Centara Japan Capital Godo Kaisha 6-11, Ginza 1-chome, Chuo-ku, Tokyo	Holding Company	Registered share capital of 100,000,000 YEN Paid-up 1,000 YEN	N/A (Owned by Centara Singapore Private Limited)	100.0%
45	Green Food Factory Limited 306 Central Silom Tower 5 th -8 th Floor, Silom Road, Suriyawong, Bangrak, Bangkok	Restaurant "Salad Factory"	190,000 shares at par 100 Baht each	96,900 shares (Owned by Central Restaurants Group Co., Ltd.)	51.0%

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 2019	
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 2019
CENTEL203A	N/A	800	30/3/2016	4 years	2.09%	-	6 months	30/3/2020	800
CENTEL218A	A	980	11/8/2016	5 years	2.45%	-	6 months	11/8/2021	980
CENTEL229A	A	1,000	29/9/2016	6 years	2.78%	-	6 months	29/9/2022	1,000
CENTEL239A	A	1,000	29/9/2016	7 years	2.97%	-	6 months	29/9/2023	1,000
CENTEL269A	A	500	29/9/2016	10 years	3.39%	-	6 months	29/9/2026	500
CENTEL240A	A	500	31/10/2019	5 years	2.44%	-	6 months	31/10/2024	600

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, Thailand
Tel. : (02) 009 9000
Fax : (02) 009 9991

DEBENTURE REGISTRAR

CIMB Thai Bank Public Company Limited.
Head Office 44 Langsuan Road, Lumpini, Pathum Wan, Bangkok 10330, Thailand
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)
- “Debentures of Central Plaza Hotel Public Company Limited No. 1/2019 Due 2024” (CENTEL240A)

AUDITOR

EY Office Limited
33rd Floor, Lake Rajada Office Complex 193/136-137
New Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand
Tel. : (02) 264-0777
Fax : (02) 264-0790

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	Khunying Suchitra Mongkolkiti
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
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Centara International Management

Senior Vice President - Business Development	Mr. Andrew Frederick Langston
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Finance & Administration

Senior Vice President - Finance & Administration	Dr. Ronnachit Mahattanapreut
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Procurement

Vice President - Procurement	Mr. Thirakiati Chirathivat
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Sales & Marketing

Vice President - Brand, Marketing & Digital	Mr. Thomas Roger Thrussell
Vice President - Commercial	Ms. Tabatha Kristen Ramsay

Human Resources

Vice President - Human Resources	Ms. Rujapa Hamnilrat
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Design & Technical Services

Vice President - Design & Technical Services	Mr. Adrian Hardwick-Jones
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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. Kamal Chaoui

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 Hua Hin	Mr. David Martens
Centara Grand Beach Resort & Villas Krabi	Mr. Voytek Klasicki
Centara Grand Beach Resort Phuket	Mr. Kamal Chaoui
Centara Grand Mirage Beach Resort Pattaya	Mr. Denis Thouvard
Centara Grand Beach Resort Samui	Closed for renovation
Centara Grand Phratamnak Pattaya	Mr. Jonas Sjostedt
Centara Grand Island Resort & Spa Maldives	Mr. Riaan Sinclair Drever
Centara Karon Resort Phuket	Mr. Wayne Graydon Duberly
Centara Kata Resort Phuket	Mr. Timothy Rawlinson
Centara Villas Phuket	Mr. Opas Damrongkul
Centara Villas Samui	Mr. Paul Maneerat
Centara Hotel Hat Yai	Mr. Manoon Wutti
Centara Watergate Pavillion Hotel Bangkok	Mr. Alexandre Boris Frenkel
Centara Hotel & Convention Centre Udon Thani	Mr. Preecha Yarangwong
Centara Koh Chang Tropicana Resort	Mr. Pius Luechinger
Centara Blue Marine Resort & Spa Phuket	Mr. Gorn Puangkhaio
Centara Sonrisa Residences & Suites Sriracha	Mr. Chalermrat Khumsawad
Centara Ao Nang Beach Resort & Spa Krabi	Mr. Michael Gaarde-Nielsen
Maikhao Hotel	Mr. Ruud Andries Hulscher
Centara Ras Fushi Resort & Spa Maldives	Ms. Prapaijit Thongma
Centara Ceysands Resort & Spa, Sri Lanka	Mr. Mario Taulien
Centara Sandy Beach Resort Danang	Mr. Ridwan Heriyadi
Centara West Bay Residences & Suites Doha	Mr. Sean Spinks
Centara Muscat Hotel	Mr. Anthony Wright
Centara KMA Resort Inle Lake	Mr. Wilhelmus Nicolaas Maria Fagel
Khum Phaya Resort & Spa, Centara Boutique Collection	Ms. Jirachada Assavanich
Maikhao Dream Villa Resort & Spa, Centara Boutique Collection	Mr. Ruud Andries Hulscher
The B Premiere Hotel, Centara Boutique Collection	Mr. Manop Wongchaikam
Centra by Centara Government Complex Hotel & Convention Centre Chaeng Watthana	Mr. Wuthisak Pichayagan
Centra by Centara Hotel Mae Sot	Mr. Somsak Saisawad
Centra by Centara Maris Resort Jomtien	Mr. Chaiphun Thongsuthum
Centra by Centara Phu Pano Resort Krabi	Mr. Dechanont Wangthong
COSI Pattaya Wong Amat Beach	Mr. Jakub Stanislaw Piwowarski

Resort Manager	
Centara Q Resort Rayong	Ms. Wassana Pokthang
Centara Chaan Talay Resort & Villas Trat	Ms. Annaliza Bisnar
Centra by Centara Coconut Beach Resort Samui	Mr. Chokchai Kittiweerawong
Waterfront Suites Phuket by Centara	Ms. Nattiya Akhophan (Operations Manager)

Hotel Manager	
Centara Anda Dhevi Resort & Spa Krabi	Ms. Rutjiret Ananphong
Centara Pattaya Hotel	Ms. Metta Boonyaritipong
Centara Nova Hotel & Spa Pattaya	Ms. Metta Boonyaritipong
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

FOOD BUSINESS

Central restaurants group	
President of CRG	Mr. Nath Vongphanich
Chief Operating Officer	Mr. Sucheep Tamacheepjareon
Chief Financial Officer	Ms. Nanthawan Vatcharakomolpun
Head of Japanese Cuisine	Mrs. Ampaipan Chirathivat
Head of Human Resources	Ms. Jaruwan Ngampisutpaisan
Head of QA & Loss Prevention	Mr. Chainarong Lerlertvanich
Head of International Business Expansion	Mrs. Pentip Ungpakorn
Head of Corporate Strategy and Development	Dr. Chatchai Unahabhokha
Head of QSR & Western Cuisine	Mr. Piyapong Chitchumnong
Head of Thai &Chinese Cuisine	Mr. Tanapoln Tunpasit
Head of Business Development	Mr. Sitthisak Wongsamut
Head of Mister Donut	Ms. Sineenart Sookthavorn
Head of Supply Chain Management	Mr. Thirawat Loetthiraphan
Head of Auntie Anne's	Mrs. Nongnapas Rumpeuy
Head of Pepper Lunch and Chabuton	Mrs. Orawan Komonpunporn
Assistant Vice President of CRG Manufacturing	Mr. Rastam Benraheem
Head of Ootoya and Tenya	Mr. Parwit Amtim
Head of Yoshinoya and Katsuya	Mrs. Siriporn Thanintharatharn
Head of Center of Excellence	Mr. Denchai Petchamarat
Head of Finance & Accounting	Ms. Kalya Subhakornpichan
Head of Construction	Mr. Chatree Tinsiripattanakij
Head of Site Acquisition	Mr. Anucha Thananan
Head of Corporate Planning	Mrs. Sirirat Wisetjindavat
Head of Operations KFC	Mr. Kanop Srianwut
Head of Application Development & Support	Mr. Chattawat Chancharung
Head of Digital Marketing and Delivery	Mrs. Shanoknatnapat Sinvivathanachai



MIDDLE EAST
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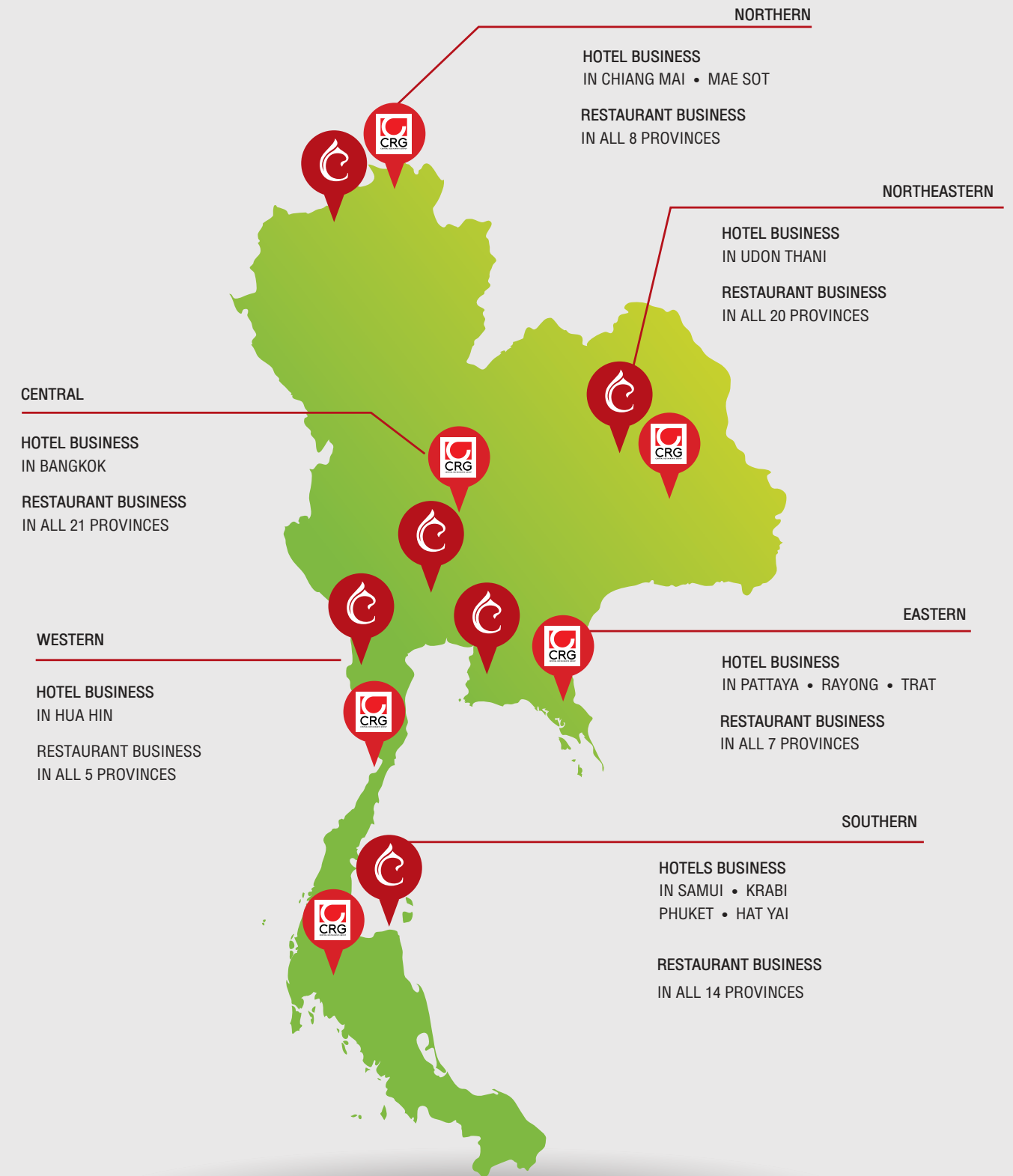
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CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED

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BRANCH

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