



**PROPERTY
DEVELOPMENT
& INVESTMENT**

A Member of Central Group

Annual Report

2016

A WHOLE NEW EXPERIENCE

General Information

Central Pattana Public Company Limited

Location	30 th – 33 rd Floor, The Offices at CentralWorld, 999/9 Rama I Road, Patumwan Sub-District, Patumwan District, Bangkok 10330, Thailand
Telephone	+ 66 (0) 2667 5555
Corporate Website	www.cpn.co.th
Registration No	0107537002443
Year of Establishment	1980
Business Overview	Develop and invest in retail property for rent comprising large-scale shopping complexes and other related supportive businesses. In addition, the Company invests in retail property fund and acts as a property manager of the funds.
Securities Information	Common shares of Central Pattana Plc. were listed and traded on the Stock Exchange of Thailand in 1995 under the abbreviated security name of “CPN”.
Registered Capital	Baht 2,244,000,000
Issued and Paid-up Capital	Baht 2,244,000,000 comprising ordinary shares of 4,488,000,000 shares Par value of Baht 0.5 per share
Contacts	
Company Secretary	
Telephone	+ 66 (0) 2667 5555 Ext. 1685, 1686 and 1687
Email	co.secretary@cpn.co.th
Investor Relations	
Telephone	+ 66 (0) 2667 5555 Ext.1632, 1688 and 1689
Email	ir@cpn.co.th

Investors can obtain further information regarding the Company from the Annual Registration Statement (Form 56-1) which has been disclosed at www.sec.or.th or www.cpn.co.th

ANNUAL REPORT 2016
A WHOLE NEW EXPERIENCE



PROPERTY
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GRI INDEX

A WHOLE NEW EXPERIENCE



INNOVATION AND
RELENTLESS CREATIVITY
FORM THE HALLMARK OF
OUR SHOPPING CENTERS



IT IS CUSTOMERS THAT
DICTATE HOW TO TURN
SHOPPING CENTERS INTO
THEIR SECOND HOMES



NEW EXPERIENCE ANSWERS
EVERY LIFESTYLE OF THE NEW
GENERATION



DRIVING LOCAL BUSINESSES
AND THE THAI ECONOMY TO
REGIONAL PROMINENCE FOR
RESOUNDING SUCCESS

The background features several faint, concentric circles in light yellow and grey. A large, thick arc with a color gradient from teal to purple to red is positioned in the lower half of the image.

customer centric

Nothing but the best experience for CPN's customers, catering to all lifestyles and customers' needs with creative energy and insight — the key to our success. Partners, investors, and tenants are crucial players, ready to bolster the Thai economy.



the innovative mindset **IS OUR DNA**



At CPN, beyond a mere understanding of customers' needs are creativity, a new vision, and perspectives that strive for the best for customers and tenants. To us, creativity means innovation and motivation for turning vision into reality. This is CPN's ingrained culture that leads to the most admired retail property developer.




the lifestyle innovation **MAKES LIFE HAPPIER**



A modern lifestyle is what it is all about : breaking the rules of shopping centers while introducing innovation as a crux of development. So, CPN shopping centers are not just a place for relaxation or shopping. Every square inch serves individual lifestyles, gender, and age. Food Destination, Co-working Space, and Market Market – all these new ideas allow people to truly reconnect.



designing the future **WITH OUR INNOVATION**



Attractive locations and sophisticated, innovative design represent only part of CPN's solution. Green space is vital. These elements combine to ensure that CPN is top-notched for optimizing space usage – including long-standing shopping centers, which are renovated with today's innovation to cater to all target groups. That way, our shopping centers are your second homes.



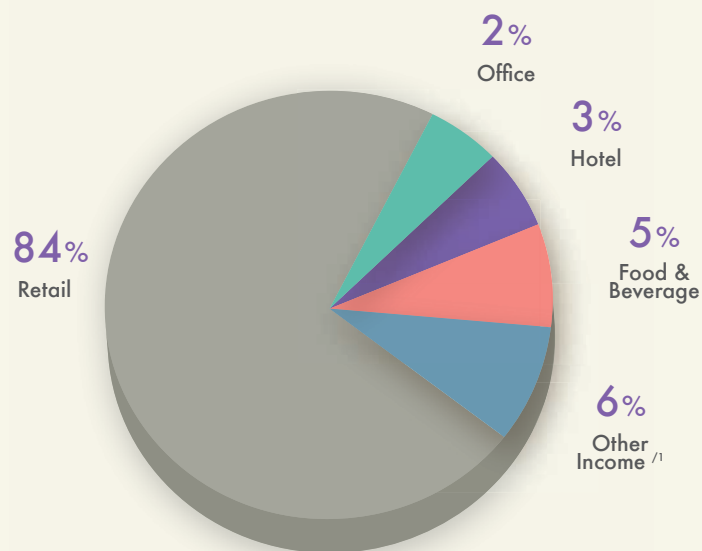
grow together with **INNOVATIVE IDEA**



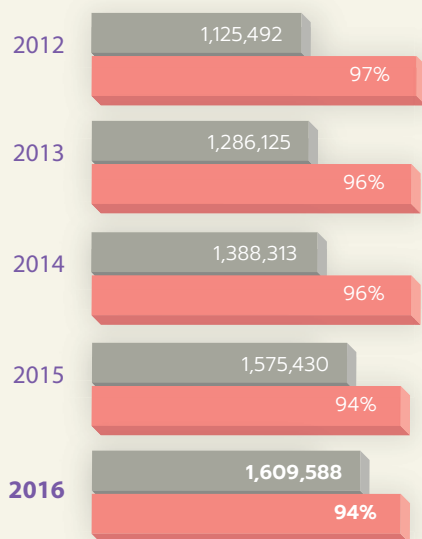
Leveraging our strengths in the retail property development business, CPN mentors entrepreneurs entering modern retail trade. We allocate space for local entrepreneurs and SMEs – a novel approach that forms CPN's alliances to decentralize income, drives local and national businesses, and turns Thailand into a regional Lifestyle Shopping Hub. Above all, this concept complements the drive of the national macro-economy.

CONSOLIDATED OPERATIONAL AND FINANCIAL HIGHLIGHTS

REVENUE BREAKDOWN BY BUSINESS

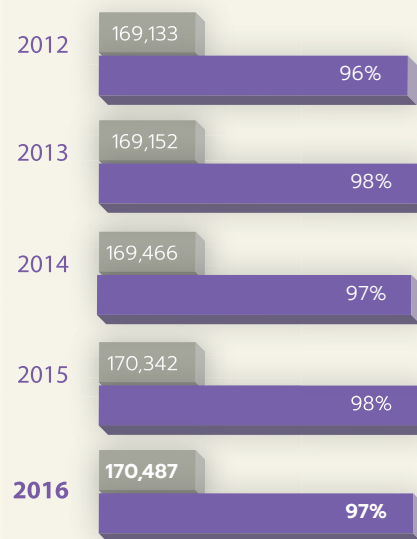


SHOPPING CENTER



Retail leasable area (sqm)
 Occupancy rate (%)

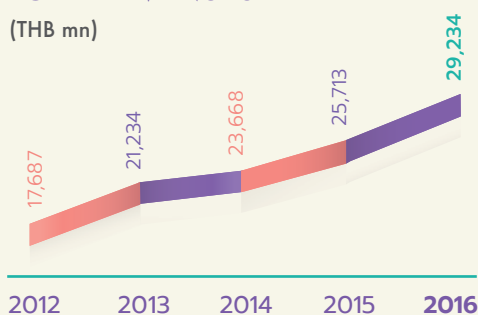
OFFICE



Office leasable area (sqm)
 Occupancy rate (%)

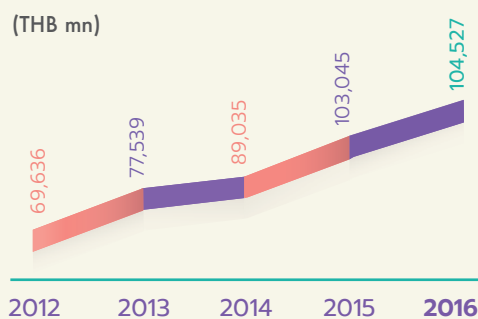
TOTAL REVENUES

(THB mn)



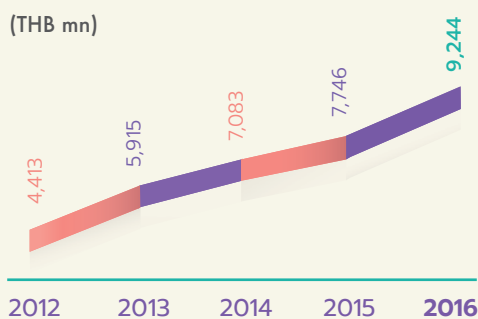
TOTAL ASSETS

(THB mn)



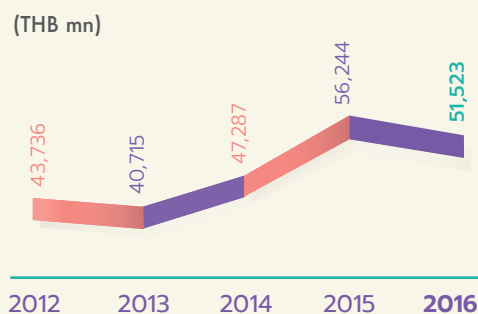
ADJUSTED NET PROFIT ^{/2}

(THB mn)



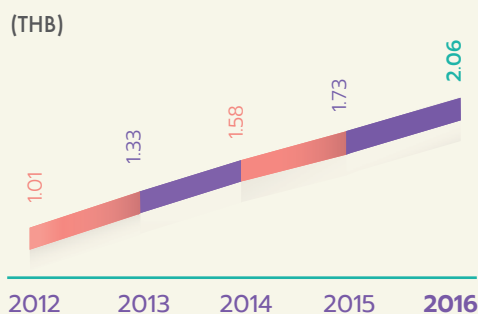
TOTAL LIABILITIES

(THB mn)



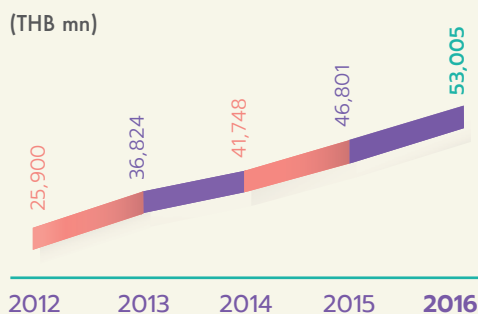
ADJUSTED EARNINGS ^{/2} PER SHARE

(THB)



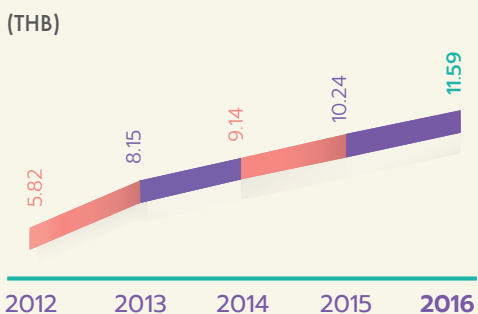
TOTAL SHAREHOLDERS' EQUITY

(THB mn)



BOOK VALUE PER SHARE

(THB)



^{/1} Excludes interest income, dividend income, share of profit from associates, and non-recurring income.

^{/2} Excludes non-recurring items

CONSOLIDATED OPERATIONAL AND FINANCIAL HIGHLIGHTS

As at 31 December	2012	2013	2014	2015	2016
Operational performance of assets under CPN's management					Unit: square metres
Leaseable Area	1,300,998	1,461,650	1,564,152	1,747,339	1,781,642
Retail	1,125,492	1,286,125	1,388,313	1,575,430	1,609,588
Office	169,133	169,152	169,466	170,342	170,487
Hotel (rooms)	561	561	561	561	561
Residential	6,373	6,373	6,373	1,567	1,567
Occupancy Rate					
Retail	97%	96%	96%	94%	94%
Office	96%	98%	97%	98%	97%
Hotel	76%	76%	75%	77%	83%
Residential	59%	67%	53%	30%	21%
Consolidated Financial Results					Unit: '000 Baht
Total Revenues ⁽¹⁾	17,687,323	21,234,033	23,667,717	25,713,003	29,233,920
Revenue from Rental & Service, Food & Beverage, Hotel	16,761,773	19,913,174	22,307,540	24,282,565	27,633,700
Cost of Rental & Service, Food & Beverage, Hotel	9,433,399	10,541,623	11,616,239	12,633,723	14,040,598
Gross Profit ⁽²⁾	8,253,924	10,692,410	12,051,478	13,079,280	15,193,322
Net Profit	6,188,698	6,292,529	7,306,953	7,880,310	9,243,797
Adjusted Net Profit ⁽²⁾	4,412,862	5,915,196	7,083,269	7,745,912	9,243,797

As at 31 December	2012	2013	2014	2015	2016
Consolidated Financial Position					Unit: '000 Baht
Total Assets	69,635,639	77,538,774	89,035,187	103,044,632	104,527,348
Total Liabilities	43,735,665	40,715,133	47,287,267	56,243,515	51,522,547
Net Interest-Bearing Debt ⁽³⁾	21,357,620	17,972,416	12,245,660	18,297,518	14,700,513
Total Shareholders' Equity	25,899,974	36,823,641	41,747,921	46,801,117	53,004,802
Retained Earning	21,210,726	25,419,599	30,258,196	35,174,147	41,276,432
Issued and Paid-up Share Capital	2,178,816	2,244,000	2,244,000	2,244,000	2,244,000
Total Number of Shares ('000 Shares)	2,178,816	4,488,000	4,488,000	4,488,000	4,488,000
Consolidated Financial Ratios					
Net Interest-Bearing Debt to Equity ⁽³⁾ (time)	0.82	0.49	0.29	0.39	0.28
Gross Profit Margin ⁽²⁾ (%)	46.67	50.36	50.92	50.87	51.97
Net Profit Margin ⁽²⁾ (%)	24.05	26.41	28.60	29.10	30.70
Return on Assets (%)	9.26	8.55	8.77	8.21	8.91
Return on Equity ⁽⁴⁾ (%)	27.31	20.45	18.93	18.12	18.87
Earning per share ⁽⁵⁾⁽⁶⁾ (Baht)	1.42	1.42	1.63	1.76	2.06
Adjusted Earnings per Share ⁽²⁾⁽⁵⁾⁽⁶⁾ (Baht)	1.01	1.33	1.58	1.73	2.06
Book Value per Share ⁽⁶⁾ (Baht)	5.82	8.15	9.14	10.24	11.59
Dividend per Share (pay in the following year) ⁽⁶⁾ (Baht)	0.95	0.55	0.65	0.70	0.83 ⁽⁷⁾

(1) Excludes interest income, dividend income, share of profit of associate, and non-recurring incomes.

(2) Excludes non-recurring items.

(3) Net interest-bearing debt excludes loans from related parties.

(4) Excludes minority interest in subsidiaries.

(5) Basic earnings per share only attributable to ordinary shareholders.

(6) During the year 2013, the par value of the share has been converted.

The number of weighted average ordinary shares has been restated and used in computation of earnings per share for the year 2012-2015.

(7) Subject to AGM 2017 approval.

MESSAGE FROM THE BOARD OF DIRECTORS



TO THE SHAREHOLDERS

The year 2016 was another satisfactory year for Central Pattana Public Company Limited ("CPN"), with goals achieved and milestones reached in several aspects under sustainable business operation and corporate governance, filled with transparency, ethics, and responsibility to all stakeholders under the intent on "Creating shared value among stakeholders and society as a whole". In any development of CPN's shopping centers, CPN plays a key role in developing and bringing prosperity to communities, distributing income, creating local jobs, promoting tourism, and driving the local and national economy. Equally important, promotion of Thailand as the best tourist destination and regional shopping destination.

CPN has been being committed to developing and managing shopping centers that cater to lifestyles, which are highly dynamic and become more modern, more complex. We have applied the Mixed-Use Project Development concept to our shopping center development planning. Basically, it blends the use of a given area in several formats-shopping center, residences, hotels, and offices-in support of the shopping center, our core business. We have also defined investment strategies in line with the overall economy, market, and competition with due regard for the potential of all stakeholders. During the year we launched one new shopping center: CentralPlaza Nakhon Si Thammarat, our 30th member. We also value the renovation of shopping centers in operation, namely CentralPlaza Pinklao, CentralPlaza Bangna, CentralFestival Phuket, CentralPlaza Chaengwattana, and CentralMarina (formerly known as Central Center Pattaya) to enhance asset value and competition potential, as well as the image of sophistication.

Moreover, CPN has projects under development in 2017-2018 that have been officially announced: CentralPlaza Nakhon Ratchasima, CentralPlaza Mahachai, CentralPhuket, and Central i-City in Malaysia. At the same time, those to undergo renovation in 2017 consist of CentralWorld, CentralPlaza Rama 3, CentralPlaza Rama 2, CentralPlaza Chiangmai Airport and CentralFestival Phuket.

ONGOING EXPANSION WITH INNOVATION AND NEW CONCEPTS

CPN develops new shopping centers and improves existing ones to achieve differentiation and present novel experiences to customers through six new concepts, including fostering of new, exciting ambience, creation of a food destination for everyone, activity center for every family's member, provision of co-working space for shared new ideas, new attractions for customers, and Market Market-an all-new lifestyle market with an area dedicated to local entrepreneurs and SMEs, providing them with access to retail modern trade. More new ideas will play a part in developing future shopping centers. Under our 2017-2021 plans, every year CPN will be launching 2-3 shopping center projects together with renovation of 2-3 existing shopping centers.

To make shopping centers perennial darlings for tourists, CPN has organized assorted activities covering marketing campaigns, and signature events held during major Thai festivals that are well known to foreigners, which have secured excellent responses of target customers. In parallel, we select new, modern stores that match the needs of shopping-center patrons. Our aim is to support stores or tenants that do business with CPN-whether SME or OTOP (One Tambon One Product) operators-by promoting their branch growth along with CPN's shopping centers across the country in addition to regionalizing their businesses for competitiveness in the AEC era. In the year we have cooperated with public agencies in continuing the Driving Thai SME policy under the people-government power committee, which seriously promotes SMEs by launching "SME Market Place-Thais Help Thais by Pracharath."

MIXED-USE DEVELOPMENT PROJECTS

Recognizing a way to maximize value to land surrounding each CPN shopping center in support of the core business, CPN seeks to develop property projects in the form of mixed-use development, a combination of residences, hotel, shopping center, office building, and an entertainment center. By prudently surveying the market and target customers' needs, CPN decided to invest in condominium residential projects under the "ESCENT" brand at three sites, namely CentralFestival Chiangmai, CentralPlaza Rayong, and CentralPlaza Khonkaen. All three have won excellent responses, thanks to their outstanding locations and project formats matching their needs. CPN therefore plans three more projects a year in support of shopping centers, creating commercial revenue and adding value to project assets.

SATISFACTORY PERFORMANCE AND ROBUST FINANCIAL STANDING

For year 2016, CPN and its subsidiaries reported continuously growing performance outcomes, with Baht 29,261 million in consolidated revenue and Baht 9,244 million in net profit, 13% and 17% up from last year, mainly due to those shopping centers launched in 2015 and operating for the full year in 2016, namely CentralPlaza Rayong, CentralPlaza WestGate, CentralFestival EastVille, and CentralFestival Phuket (where CPN received asset transfer in mid-2015), and CentralPlaza Pinklao (which was closed in part and in stages from mid-2015 until its inauguration in June 2016). Meanwhile, CPN values operating cost management and administrative expenses management through measures designed to save energy and public utilities-which are CPN's major operating cost component. CPN pays attention to energy-saving in tandem with the application of green technologies and joint efforts with Central Group for procurement, which has hiked our efficiency and profitability.

Robust is CPN's financial structure, marked by flexibility for securing funds, thanks to its low net interest-bearing debt-to-equity ratio of 0.28 times at the end of 2016 and the employment of suitable capital mobilization tools to grow future businesses.

SUSTAINABLE MANAGEMENT

Armed with sustainable management, the company has achieved a business approach that is more tangible in sustainability, driven through the Corporate Governance and Sustainable Development Committee and top management. Defined were 10 sustainability missions from the perspectives of stakeholders, which focus on attentiveness and management of development in response to all stakeholders in socio-econo-environmental aspects under corporate governance. In 2016, the Board shared its pride with all employees in being selected as the member of DJSI (Dow Jones Sustainability Indices) in the Emerging Markets group for the third consecutive year in addition to the acclaim won by eight CPN projects (the Carbon Footprint Standard Certificate, presented by the Thailand Greenhouse Gas Management Organization (Public Organization)), which reinforces our striving for sustainable development, with attention to energy-saving for environmental preservation.

On behalf of the Board, we wish to thank all stakeholders-shareholders, tenants, customers, business partners, financial institutions, and the mass media-for their staunch trust in and support to CPN. Sincere thanks are also due to all employees for their devotion to help us achieve goals for revenue growth, branch expansion, and stewardship of tenants, customers, and all employees. They have also contributed through energy-saving and attention paid to the environment, communities, and society in an earnest, continuous way apart from compliance with corporate governance. The ultimate proof lies in international acceptance and credibility for CPN. Please rest assured that CPN will remain committed to corporate governance and recognition of its social responsibility for the optimal benefit of all stakeholders. It is our hope that all of you will continue your contribution to develop and grow with CPN in a sustainable way every year.



Suthichai Chirathivat
Chairman



Preecha Ekkunagul
President & CEO

REPORT OF THE AUDIT COMMITTEE

TO THE SHAREHOLDERS

Consisting of five qualified independent directors, the Audit Committee is chaired by Mr. Paitoon Taveebhol, who is knowledgeable and experienced in reviewing the financial statements, with Mrs. Sunandha Tulayadhan (who completed her Audit Committee tenure in March 2016), Mr. Karun Kittisataporn, Mrs. Jotika Savanananda and Mr. Veravat Chutichetpong (who assumed his Audit Committee tenure in June 2016) as members.

In 2016, there were total of 11 Audit Committee meetings, whereby the Audit Committee consulted the management, the external auditor, and the internal auditor on related matters as well as non-executive directors as seen necessary, and provided candid views and recommendations. The Committee reported its performance to the Board of Directors on six occasions, with the following summary of performance and views:

ACCURACY, COMPLETENESS, AND RELIABILITY OF FINANCIAL STATEMENTS

Reviewed were the quarterly and annual financial statements, significant accounting policies and financial reports, coupled with the consideration of the audit scope and plans, audit methods, and detected issues, jointly investigated by the management and the external auditor. In addition, it held two meetings with the external auditor in the absence of the management to discuss the auditor's freedom in carrying out its duties. It is the Committee's view that the Company's financial reports, prepared under generally accepted accounting procedures, are accurate, complete, and reliable with a sensible choice of accounting policies.

ADEQUACY OF INTERNAL CONTROL SYSTEM, INTERNAL AUDIT, RISK MANAGEMENT, AND GOOD CORPORATE GOVERNANCE

Reviewed the audit reports of Internal Audit and of the external auditor concerning assessment of the internal control system, the

Audit Committee had reviewed to ensure that CPN commands sound risk management and corporate governance, provided essential recommendations for development, and monitored management performance improvement against the recommendations of relevant reports, while internal processes of whistleblower system and complaint handling were also considered. It is the Committee's view that the Company's internal control system is adequate and appropriate.

The Audit Committee reviewed and endorsed the annual risk-based audit plan and regularly consulted executives of Internal Audit in the absence of the management. Also, in 2016 a quality assessment of the internal audit was undertaken against the international standard of professional internal auditors. The Audit Committee's opinion is that, by and large, Internal Audit adhered to the defined international standard of performance.

OVERSIGHT OF ANTI-CORRUPTION

In 2016, the Audit Committee valued their oversight of compliance with anti-corruption measures by steering the management's extension of anti-corruption guidelines to customers and business partners for good balance, including criteria for business partners' assessment, development of a Code of Conduct for Suppliers, and practical guidelines for acceptance of no gifts. Finally, the committee provided oversight for the management to get ready for CAC recertification in 2017.

COMPLIANCE WITH SECURITIES AND EXCHANGE COMMISSION (SEC) LAWS, THE STOCK EXCHANGE OF THAILAND (SET)'S REQUIREMENTS, AND APPLICABLE LAWS

Reviewed were the Company's compliance with SEC laws, SET's regulation, and applicable laws; in addition, the Committee regularly monitored the management's improvement approach. It also provided oversight of preparedness for a revision of CPN's

code of conduct and corporate governance under SEC's CG Code, which is under revision. To this end, it assigned the management to review CPN's compliance with the CG Code and be prepared before SEC's implementation in 2020. In 2016, the Committee considers the Company is in full compliance.

CONNECTED TRANSACTIONS OR TRANSACTIONS WITH POTENTIAL CONFLICTS OF INTEREST

The Audit Committee has given emphasis in reviewing, on a quarterly basis, all connected transactions as well as those transactions that may involve possible conflicts of interest in full compliance with all laws and regulations of the Stock Exchange of Thailand. It assigned the Internal Audit to make the initial assessment annually, as well as, always requested the external auditor to undertake a full review of all these transactions. The Audit Committee considers these connected transactions part of the normal course of business with regular commercial conditions, sensible and fair conditions, and in the best interests for the Company.

SUITABILITY, CONSIDERATION, SELECTION, AND ENDORSEMENT OF THE EXTERNAL AUDITOR

The Audit Committee made an assessment of the degree of independence of the external auditor and reviewed their activities outputs of 2016. The overall performance of the external auditor is considered good; and they have been fully independent in their audit activities. Additionally, the Audit Committee had two meetings with the external auditor without any presence of the management team to obtain their opinions on the Company's operational activities and the coordination with relevant member of the management team.

In selecting and proposing the external auditor for 2017, the Committee has considered the performance outcomes, work scope, and work volumes in comparison to the proposed audit

fees for 2017 and agreed to appointed KPMG Phoomchai Audit Ltd. ("main external auditor") as the external auditor to provide views on the consolidated financial statements for CPN and its subsidiaries for 2017 and approved its audit fee for 2017 at no more than Baht 6,995,000 together with a fee at no more than Baht 610,000 for the auditor(s) of CPN's selected subsidiaries registered in other countries.

OVERALL VIEWS AND REMARKS ON CONFORMANCE TO THE AUDIT COMMITTEE CHARTER

The Audit Committee had made a self-assessment of its overall performance for 2016 on January 24, 2017; whereby this assessment was in 2 parts: Firstly, the overall activities of the Audit Committee during the year. And secondly, the specific activities of the Committee, which in total consist of 6 activities, namely : (1) reviewing of the financial reports to ensure their accuracy and adequacy; (2) reviewing that both internal control systems and internal audit functions were fully effective and efficient; (3) reviewing that the Company activities were in full compliance with all the requirements of the securities laws and regulations of the Stock Exchange of Thailand as well as the laws relevant to the business sector in which the Company operated; (4) reviewing and selecting the proposed appointment of the Company's external auditor; (5) reviewing all connected transactions; and (6) As for its own report, the Audit Committee overall view was that it had performed the duties and responsibilities-as stated in its own Board-approved charter-sufficiently and thoroughly with due competence, care, prudence, and independence for all stakeholders' equitable interests.



Mr. Paitoon Taveebhol
Chairman of the Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE



TO THE SHAREHOLDERS

In 2016, the Nomination and Remuneration Committee held three meetings, consisting of two regular meetings and one extraordinary meeting, and reported its performance to the Board for acknowledgment after each meeting, summarized below:

1. Recruited suitable candidates for tabling to the Board and the 2016 Annual General Meeting of Shareholders (AGM) for consideration. CPN offered minor shareholders a chance to nominate directors from September 30, 2015, to January 15, 2016. Since no such nomination emerged, the committee recommended that the directors who completed their terms in 2016 should be reappointed to another term except for Mrs. Sunandha Tulayadhan, who also completed her director term. To replace her, it proposed the appointment of Mr. Veravat Chutichetpong. The 2016 AGM approved the appointment of all nominated directors.
2. Proposed the appointment of Dr. Supachai Panitchpakdi as Honorary Chairman for providing beneficial advice and suggestion to the Board and the Management in running the CPN's business. However, Dr. Supachai will abstain from voting in the Board of Directors meeting. The Board approved the proposed appointment.

3. Proposed the appointment of Ms. Ampawee Chompoopongkasem as the Company Secretary and the Secretary to the Nomination and Remuneration Committee, replacing Ms. Naparat Sriwanvit, who resigned from those two positions due to her other business engagement. The Board approved the proposed appointment.
4. Considered the 2016 remuneration for the Board and the subcommittees, comprising the Audit Committee, the Nomination and Remuneration Committee, and the Risk Policy Committee, and then submitted the opinion to increase the remuneration fees to the Board and the shareholders' meetings for consideration and approval, taking into account their responsibilities and performance related to revenue earned and other relevant factors. The remuneration amounts are also compared with industry peers and met with approval from the shareholders.
5. Evaluated the President & CEO's performance in the preceding year and worked with the President & CEO in setting goals and evaluation methods for his performance in the current year.
6. Acknowledged the CPN's 2016 Board diversity information, which comprises the number of independent directors, their gender, age, tenures, and specific fields of expertise. The information will be considered for the nomination of qualified candidates who are knowledgeable and skillful in diverse fields relevant to CPN's business operation.
7. Acknowledged the outcomes of the Committee's self-assessment for 2015 as input for the development of its performance in line with corporate governance practices.
8. Monitored and provided comments on the policy and practices of human capital management and organizational management, including plan and operation in 2016, recruitment, turnover rate and staff development plan.

9. Revision of the charter of the Committee: There is no revision this year, since the current charter is seen as complete and suitable.

The Nomination and Remuneration Committee cautiously completed its duties with integrity, based on the responsibilities designated in its charter. It adhered to the principle of good governance adequately and suitably for the balanced and sustainable benefits of all stakeholders.



Mr. Karun Kittisataporn
Chairman of the Nomination and
Remuneration Committee

REPORT OF THE RISK POLICY COMMITTEE



TO THE SHAREHOLDERS

Central Pattana Public Company Limited has set a clear policy of treasuring sustainable risk management to supplement value to stakeholders. To this end, CPN focuses on developing risk management practices across the Company and promoting risk management as part of its value-added culture. Key risk factors affecting CPN's business are identified to cover all dimensions at corporate and business unit levels. Emphasis is on managing such risks to an acceptable level through appropriate strategies. Two risk management committees are currently in place:

1. The Risk Policy Committee, consisting of four members comprising four qualified directors of the Board, acknowledges and provides recommendations on all risk management policies, strategic plans, structures and frameworks at every corporate level; assessing risk management effectiveness; screening and endorsing acceptable levels of risk; participating in expressing opinions during CPN's annual analysis of risk management strategies; acknowledging reports on risk trends and risk issues; and reporting its activities to the Board for acknowledgment. These duties ensure the committee's effective responses to risk issues, accurate identification of immediate and long-term financial impacts on shareholders, and operational quality. The Risk Policy Committee meets at least once every quarter.

2. The Risk Management Committee, appointed by the President, comprises the unit's senior executives and management officers capable of performing duties by dedicating sufficient time and input. The committee defines policies, structural framework, methods, and tools for the identification, assessment, management, and reporting of risks that affect the objectives of its business unit; oversees standardized development of risk management within the scope of responsibility of the unit's management; ensures that risk management is integrated with business plans; reviews risk evaluation outcomes against acceptable ranges of deviation; communicates and manages the establishment and maintenance of corporate risk management at all levels compatible with the corporate vision; and constantly reports to the Risk Policy Committee progress and other issues of risk management. The Risk Management Committee meets at least once every quarter.

CPN values Enterprise Risk management. In the first quarter of 2016, the Risk Policy Committee and the Risk Management Committee together engaged in the workshop to assess risks and define key risk indicators (KRIs) so as to regularly track the status of each risk and set up a risk register and a risk response plan, in addition to focusing on managing branch risks. Each new

risk is reviewed, and its risk management plan is continually set for all branches.

CPN focuses on managing five key risks which are 1) strategic risk 2) operational risk 3) compliance risk 4) financial risk and 5) hazard risk while each risk is elaborated more in details in Risk Factors (page 120).

Nonetheless, dynamic changes in economic, social, cultural, climate and technological innovation all affect consumers' lifestyles and behavior while intensifying competition posed by rivals within the same industry and new ones from other substitute industries. As a result, the Risk Policy Committee recognized the value of reviewing emerging risks with significant impacts on CPN's missions, goals, strategies, or operation. To this end, the committee accounted for the following emerging risks.

TECHNOLOGICAL INNOVATION RISK

Technological Innovation risk poses additional challenges with growing online shopping, which complements the new generation's lifestyle with advantageous pricing strategies and a variety of merchandise. Each retail business operator must therefore adapt themselves and change their strategies to stay abreast of the changing business environment. CPN has introduced measures to develop and enhance its shopping complexes in unique, outstanding and innovative ways, taking into consideration the universal and environment-friendly designs, energy efficiency as well as customers' satisfaction. To this end, the new concept of Lifestyle Innovation is applied to provide customers with more unique and impressive experiences compared to online shopping, for example, creating a co-working space or "Think Space" for ones to co-create new ideas of work and learning; allocating a Pet Park area for pet lovers to bring their pets with them to CentralFestival EastVille.

Moreover, CPN has developed a number of services to enhance customers' convenience, for example, free Wi-Fi services are offered to tourists at CentralWorld; a government center is established to provide public one-stop services at CentralPlaza WestGate.

CLIMATE CHANGE RISK

Climate Change Risk arising from global warming, causing increased recurrence of abrupt changes in weather conditions with severe impacts. Like in 2016, Thailand experienced drought, flash floods, earthquakes and thunderstorms. Natural disasters therefore pose damage risks to CPN's physical properties and services offering to customers.

CPN requires each shopping complex to assess its natural-disaster risk because natural disasters vary in different areas. For example, the North is more prone to thunderstorms, hail storms and earthquakes, while flash floods and monsoons are more common in the South. CPN also put in place risk mitigation measures, such as the requirement to constantly inspect the strength of buildings and facilities, together with the preparation of mitigation actions and tools. The latter includes dredging of drainage passages, adding water pumps at flood-prone shopping complexes, finding alternative water sources to alleviate drought and inviting experts in building structure to assess earthquake impacts and provide recommendations on how to handle future incidents. CPN also reviews and prepares a crisis management plan to cover more scenarios, with regular drills to ensure personnel's crisis preparedness. In addition, the statistics of natural disasters and their outcomes are systematically monitored and collected as incident cases for analysis to prepare response plans and manage them effectively and timely.

The Board constantly updates CPN's charters governing Risk Policy Committee and Risk Management Committee to maintain their compatibility with the current business circumstances, with constant reviews of the Company's risk management processes to ensure its effectiveness and solid integration with CPN's strategic and business plans. This will directly influence the corporate caliber for strategizing and contribute to resounding success under CPN's mission.



Mr. Paitoon Taveebhol
Chairman of the Risk Policy Committee

REPORT OF THE CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT COMMITTEE



TO THE SHAREHOLDERS

In compliance with the policy set forth by the Board of Directors, CPN operates its business with strong commitment to its Code of Conduct and Corporate Governance (CG) Policy in parallel with CPN's sustainable growth, with the Corporate Governance and Sustainable Development Committee overseeing relevant programs and communicating with all personnel to ensure full compliance. In 2016, the committee held five meetings and reported its performance to the Audit Committee and the Board as summarized below:

1. Reviewed and provided recommendations on CG advocacy projects in line with the guidelines of national and regional regulatory agencies, such as Corporate Governance Report of Thai Listed Companies and ASEAN CG Scorecard, to improve CPN's operation and information disclosure following best practices.
2. Considered key governance-related laws and criteria for a review of CPN's regulations and guidelines to ensure full compliance. Examples of these included essential contents regarding the amendment of the Securities and Exchange Act (No. 5) B.E. 2559 (2016) and unreliable characteristics of directors and executives specified by SEC's announcement No. Kaw Jaw 3/2559 (second revision).
3. Reviewed and provided recommendations on appropriate internal-control measures to prevent bribery of public officials, foreign public officials, and officials of international organizations under the Organic Act on Counter-Corruption (No. 3) B.E. 2558 (2015).
4. Defined CPN's Code of Conduct for Suppliers to forge concrete sustainable business operation throughout the

value chain by ensuring business partners' adherence to good corporate governance practices, together with economic, social, and environmental responsibilities.

5. Provided recommendations for the organization of a Supplier Information Meeting (SIM) to create business partners' awareness of sustainability guidelines which emphasize their ethical practices; economic, social, and environmental responsibilities; and the prevention of corruption in line with the Private Sector Collective Action Coalition Against Corruption (CAC). CPN also invited its business partners to join the scheme.
6. Defined a policy abstaining from the acceptance of any gifts and communicated it to all executives and employees for acknowledgment and compliance. All business partners were similarly requested to adhere to the principles of transparency, equality, and fairness by abstaining from offering any gift or other forms of benefit to CPN's personnel.
7. Provided recommendations on the preparation of an on-line CG individual assessment questionnaire for all employees.
8. Reviewed and approved key issues regarding sustainability, risks, and opportunities to be used in the formulation of strategies and operation plans under the 10 Sustainability Missions.
9. Approved and monitored the execution of the 10 Sustainability Missions by focusing on:
 - 1) Providing entrepreneurs with the opportunity to grow and enhancing their capabilities
 - 2) Developing communities' shared values through their participation in the Public-Private Collaboration Project
 - 3) Promoting the formation of socially responsible supply chains
 - 4) Enhancing the efficiency of environmental management in line with climate change and environmental policies.

10. Assigned the role of SD Champion to senior executives in charge of each program under the sustainability missions to perform the duties of fulfilling their respective sustainability goals, considering disclosure of information, acknowledging and monitoring changing market situations and global trends under the Environment, Social and Governance (ESG) framework.
11. Effectively communicated through appropriate internal and external PR media CPN's sustainable development approach under the ESG framework to key stakeholders, including shareholders, tenants, customers, employees, and society.
12. Evaluated against specified indicators the achievements of each sustainability mission at the organization, unit, division, section, and personnel levels.



Mr. Preecha Ekkunagul
Chairman of the Corporate Governance and
Sustainable Development Committee

BOARD OF DIRECTORS



1. Dr. Supachai Panitchpakdi
Honorary Chairman
2. Mr. Suthichai Chirathivat
Chairman
3. Mr. Paitoon Taveebhol
Independent Director
4. Mr. Karun Kittisataporn
Independent Director
5. Mrs. Jotika Savanananda
Independent Director

6. Mr. Veravat Chutichetpong
Independent Director
7. Mr. Suthikiati Chirathivat
Director
8. Mr. Suthichart Chirathivat
Director
9. Mr. Sudhisak Chirathivat
Director
10. Mr. Sudhitham Chirathivat
Director

11. Mr. Kobchai Chirathivat
Director
12. Mr. Prin Chirathivat
Director
13. Mr. Preecha Ekkunagul
Director

MANAGEMENT COMMITTEE



1. Mr. Preecha Ekkunagul
President & CEO
2. Mr. Suthipak Chirathivat
Senior Executive Vice President,
Office of the President
3. Ms. Wallaya Chirathivat
Senior Executive Vice President,
Business Development
and Project Construction

4. Mr. Pakorn Partanapat
Senior Executive Vice President,
Operation
5. Ms. Napat Sriwanvit
Senior Executive Vice President,
Finance, Accounting and
Risk Management
6. Mrs. Panida Sooksridakul
Executive Vice President,
Property Management

7. Mrs. Ratana Anoontakaroorn
Executive Vice President,
Leasing
8. Major Narit Ratanaphichetchai
Executive Vice President,
Project Development 1
9. Mrs. Nartaya Chirathivat
Executive Vice President,
Office of the President

10. Flt.Lt. Kree Dejchai
Executive Vice President,
Special Project Development
11. Dr. Nattakit Tangpoonsinthana
Executive Vice President,
Marketing
12. Mr. Chanavat Uahwatanasakul
Executive Vice President,
Business Development

2016 YEAR IN BRIEF

JANUARY

CPN Residence Co., Ltd., a subsidiary of CPN, launched the **“ESCENT” residential projects** in the form of a condominium on CPN’s shopping complex land under CentralFestival Chiangmai, CentralPlaza Khonkaen, and CentralPlaza Rayong projects for a total project value of approximately Baht 3,000 million. All three garnered excellent responses, with full booking due to outstanding locations and project formats that match customers’ needs. Construction has proceeded as planned, due for completion and ready for ownership transfer by 2018.

APRIL

The AGM No. 1/2016 approved the dividend payment against the 2015 performance outcomes at Baht 0.70 per share and approved the ceiling for the issuance and offer of debentures up to Baht 10,000 million. At the same time, it approved a ceiling for the issuance and offer of short-term bills of exchange or short-term debentures, or both, worth up to Baht 6,000 million in support of investment plans for developing new projects and CPN’s future business expansion.

JUNE

CentralPlaza Pinklao with major renovation work after 20 years of operation was inaugurated under “The Best is Back” theme, designed as western Bangkok’s premier shopping center in line with this zone’s progress and lifestyles. Sporting new looks both exterior and interior, the shopping complex now boasts 360,000 sq.m. of the project area, the largest in Thonburi, with a carpark accommodating some 4,500 cars. CentralPlaza Pinklao refurbished stores and added new ones along with 200 fashion shops, stores, and restaurants.

TRIS Rating affirms the company and senior unsecured debenture ratings of Central Pattana Plc. at “AA-” with the “stable” outlook. The ratings reflect the company’s leading position in the retail property development industry in Thailand, proven records of managing high-quality shopping centers, reliable cash flows from contract-based rental and service income, and cautious financial policy. The “stable” outlook reflects the expectation that CPN will sustain the strong operating performance of its shopping centers. Despite continuously pursuing its growth strategy, the company is expected to maintain its financial discipline. The net interest-bearing debt to equity ratio should be kept lower than 1 times.

JULY

CentralPlaza Nakhon Si Thammarat, CPN’s 30th shopping complex, was inaugurated on July 28 as the first complete major lifestyle shopping complex in the province under a design concept for its exterior and interior that illustrates shadow-play narration of local lifestyles, employing the motif of “Nang Talung” or the Southern shadow puppet art, which is a unique identity of Southern culture as the highlight. The project investment was valued at Baht 3,500 million. CPN recognized the potential of this foremost province of the South, with major tourist attractions and the highest population of the South. Nakhon Si Thammarat is therefore a major economic hub with imminent spectacular growth.



SEPTEMBER

CPN has been selected as a **member of 2016 DJSI** (Dow Jones Sustainability Indices Emerging Markets) for a third consecutive year. CPN was the first and only Thai company in the real estate sector to attain such membership, which illustrated its business standard based on corporate governance with due regard for the environment, society, and all stakeholders while being committed to secure, sustainable growth.

CPN was added to MSCI (Morgan Stanley Capital International) index for the second consecutive year based on a MSCI's sustainability assessment and was chosen to be on the FTSE (Financial Times Stock Exchange) index in the Emerging Markets sector for the first year. This move reflected CPN's commitment and socio-economic-environmental value given to sustainable development based on the sustainability assessment for the real estate industry and international sustainable business.

NOVEMBER

CPN has been selected to list in **"Thailand Sustainability Investment 2016"** announced by the Stock Exchange of Thailand among all listed companies with sustainable business operations, a proof of business conduct marked by corporate governance with due regard for stakeholders. As a result, economic growth is achieved hand in hand with balanced socio-environmental development, and the company can thoroughly disclose its performance outcomes in economic, social, and environmental aspects.

DECEMBER

CentralPlaza Bangna marked its new-look soft opening under "The Best Thing Happens Bangna" theme after revamping its exterior and interior and adding Central Group's premium brands, fashion stores, and leading restaurants. Not long ago, CentralPlaza Bangna had piloted "Pororo Aquapark" the world-class rooftop water park, "Kidspace" fun-filled area for kids and families, along with "Food Patio" deluxe food kingdom on about 12,000 sq.m., with over 80 restaurants and "Food Balcony" premium collection of over 20 top restaurants-all these exclusively for the residents of Bangna and the vicinity.

CentralMarina was inaugurated as Pattaya's first theme mall, more modern and stylish than ever after six months of renovation of formerly Central Center Pattaya. Sporting a "Fisherman Village" theme, CentralMarina strives to attract patrons with the addition of magnets such as a seafood market with chefs personally cooking tasty dishes to order, sports fashion factory outlets, and an outdoor "Market Market", featuring a modern format for small retail entrepreneurs catering to the latest consumers' lifestyles. The target group is Pattaya-based teenagers, workers as well as housewives, and foreign tourists.



AWARDS OF
GREAT PRIDE
IN 2016



"Asia Property Award 2016
5 Stars' Best Retail
Development Thailand"

"Asia Property Award 2016
Highly Commended Retail
Development Thailand"

"Thailand's Top
Corporate Brands 2016"

AWARDS IN PROJECT DESIGN AND DEVELOPMENT

"Asia Property Award 2016"

from the International Property Awards is the region's biggest and most respected real estate awards programme granted to the biggest and best achievers real estate developer and projects in Asia Pacific. These awards are considered at an international level and widely recognized in the real estate industry. CPN has received two awards in the following fields:

- **"5 Stars' Best Retail Development Thailand"**
granted to CentralPlaza Rayong
- **"Highly Commended Retail Development Thailand"**
granted to CentralPlaza WestGate

"TALA Awards 2016: Awards of Excellence, General Design: Commercial"

granted to Groove @ CentralWorld project by the Thai Association of Landscape Architects (TALA) for its outstanding landscape architectural design.

AWARDS IN MARKETING AND BRANDING

"Thailand MICE Venue Standard 2016"

by Thailand Convention & Exhibition Bureau (TCEB) has certified MICE Venue Standards for 7 convention halls under CPN management, which are CentralPlaza Lardprao, CentralPlaza Chaengwattana, CentralPlaza Udonthani, CentralPlaza Khonkaen, CentralPlaza Suratthani, CentralFestival Hatyai and CentralFestival Chiangmai.

"Thailand's Top Corporate Brands 2016"

award in the property development sector was granted to Central Pattana Plc. for three consecutive years by the Master of Science Programme, Department of Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University partnered with Stock Exchange of Thailand. This award is granted to the company with the highest corporate brand value.



"2016 People's Choice Awards Thailand"

"SET Awards 2016 - Outstanding Investor Relations"

"Thailand Corporate Excellence Awards 2016"

"2016 People's Choice Awards Thailand Voted by Chinese Tourists"

by Tourism Authority of Thailand (TAT) was granted to CentralWorld, voted by over 3.2 million Chinese tourists through online channel, as the most popular choice of Thailand's shopping center destination. This affirms Thailand's positioning as the shopping destination and tourist destination among Chinese tourists.

AWARDS IN MANAGEMENT AND FINANCE

"SET Awards 2016 - Outstanding Investor Relations"

was granted to Central Pattana Plc. by The Stock Exchange of Thailand and Money & Banking Magazine.

"Corporate Governance Report of Thai Listed Companies 2016" - "Excellence Scores"

had been earned by Central Pattana Plc. for eight consecutive years (2009-2016). The assessment was conducted by the Thai Institute of Directors Association.

"Thailand Corporate Excellence Awards 2016 – Distinguished Performance"

in the Category of Financial Management Excellence by Thailand Management Association and SASIN Graduate Institute of Business Administration of Chulalongkorn University, assessing from top executive opinion survey of 1,000 leading companies in Thailand. The award was granted to the company with robust financial status and continual growth, demonstrated by financial figures such as revenue, profit, asset and market capitalization, etc.



"Thailand Sustainability Investment (THSI) 2016"



"Thailand Energy Awards 2016"



"Carbon Footprint Certification"

AWARDS AND ACHIEVEMENT IN SUSTAINABLE DEVELOPMENT

Member of Dow Jones Sustainability Index (DJSI) Emerging Markets 2016

for three consecutive years. CPN remains the first and only Thai company in the real estate sector selected to be the member of DJSI Emerging Markets. DJSI is the first global sustainability benchmarks that track the stock performance of the world's leading companies in terms of economic, environmental and social criteria. The indices are offered cooperatively by RobecoSAM and S&P Dow Jones Indices, assessing leading global companies with outstanding performance in terms of market capitalization, corporate governance, and social and environment responsibility.

"Thailand Sustainability Investment 2016"

Central Pattana Plc. among 55 listed companies has been selected to list in "Thailand Sustainability Investment (THSI)" for two consecutive years announced by the Stock Exchange of Thailand for CPN has passed the assessment process in sustainability. The listing underlines the commitment to develop our firm's quality towards sustainable growth with outstanding business performance, simultaneously, embracing Environmental, Social and Governance (ESG) aspects.

AWARDS IN ENVIRONMENT AND ENERGY CONSERVATION

"Thailand Energy Awards 2016: Energy Conservation in Building Control category"

by the Department of Alternative Energy Development and Energy Efficiency (DEDE) under the Ministry of Energy. The award honoured companies with outstanding performance in both energy conservation and renewable energy development. The awards were granted to 4 shopping centers under CPN management, namely CentralPlaza Grand Rama 9, CentralPlaza Rattanaibet, CentralPlaza Udonthani and CentralPlaza Chiangrai. CPN had received the awards for seven consecutive years, affirming our sustainable business approach and caring for energy conservation to protect environment.

"Carbon Footprint for Organization"

certificates accredited by the Thailand Greenhouse Gas Management Organization (Public Organization) ("TGO") that the quantity of greenhouse gas of an organization has been found to be in accordance with the requirements of standard under TGO guideline. The certificates were awarded to 8 shopping centers under CPN management, namely CentralPlaza Lardprao, CentralPlaza Rama 3, CentralPlaza Salaya, CentralFestival Samui, CentralPlaza Grand Rama 9, CentralPlaza Udonthani, CentralPlaza Khonkaen, CentralPlaza Chaengwattana. This reflects CPN's determination to reduce the emission of greenhouse gases, in cooperation with the public sector in reinforcing Thailand commitments made under the Paris Agreement.

ECONOMIC, RETAIL INDUSTRY, AND RESIDENTIAL PROPERTY INDUSTRY OVERVIEW IN 2016

ECONOMIC OVERVIEW

The Thai economy in 2016 showed a sign of recovery. Its GDP grew by 3.2%, while inflation increased slightly 0.2% from the previous year as a result of the rising costs of world crude oil and commodity prices.

Private consumption expanded by 3.0% due to the agricultural sector's rising income. Sales increased modestly for daily necessity goods, durable products, and services, resulting partly from the implementation of public stimulus measures throughout 2016. However, the spending of low-income groups remained stable, especially among farmers and general laborers due to weak confidence in their future earning power.

Overall investment grew at a slower rate than the previous year, down to 3.0%. Private investment, meanwhile, remained low, with limited expansion in some industries, such as the telecommunication and alternative-energy (solar cell) industries. Public investment was otherwise the main economic driving force, especially through infrastructural investment, government spending, and public welfare projects. In the retail sector, the modern trade group still relentlessly increased investment and branch expansion efforts.

Exports showed improvement this year with the expansion of export value. This resulted from 3 factors: 1) the relocation of production bases to Thailand among some industries, such as computer hard disk, rubber tire, and solar cell industries; 2) rising prices of exports in line with the increase in world crude oil and agricultural prices; and 3) a growing number of export purchase orders in some industries, such as automotive, electrical appliance, and electronic parts.

Despite a drop of 1.2 million Chinese tourists due to the government's clampdown on zero-dollar tour operations in September, the tourism revenue was unaffected. International tourist arrivals this year increased by 8.8% from the previous year to 32.5 million. The tourist visa fee exemption policy still attracted

tourists' decisions to visit Thailand, while the clampdown policy on zero-dollar tour operations also improved Thailand's tourism image.

RETAIL INDUSTRY OVERVIEW

Shopping centers and department stores

This year's overall growth rate of the retail industry was 2.6%, with the recovery of the consumer goods market. This was partly due to improved farmers' income and agricultural prices after the drought started to ease, which in turn raised the purchasing power of low-income consumers. Besides speeding up public spending, the government gradually launched economic stimulus measures, such as the extension of tax breaks covering domestic travel, public stimulus measures during the Songkran Festival, which resulted in gradual recovery, and improvement in private consumption. Thanks to additional tax incentives for domestic travel and the "Shopping Helps the Country" campaign implemented to stimulate year-end consumption and spending, the retail industry was effectively revived and turned positive this year, especially in the last quarter.

The supply of retail space in Bangkok Metropolis and its perimeters increased to over 7.3 million sq.m., with more than 210,000 sq.m. of retail space entering the market in 2016. Shopping centers occupied the largest share of retail space at about 4.5 million sq.m., followed by superstore malls or hypermarkets at 1.3 million sq.m., and community malls at 1 million sq.m. respectively, while the overall occupancy rate was approximately at 93.1%. The average rental rate was on a rise, as most entrepreneurs retained their market confidence.

Commanding the industry's top market share, CPN launched one shopping center in 2016, namely CentralPlaza Nakhon Si Thammarat. Besides renovation work on a number of shopping complexes, including CentralPlaza Pinklao and CentralPlaza

Bangna, Central Center Pattaya was modernized and rebranded as CentralMarina. New shopping complex projects were also announced including the CentralPlaza Nakhon Ratchasima, CentralPlaza Mahachai and CentralPhuket. In addition, CPN announced the asset enhancement of existing shopping complexes including CentralWorld and CentralPlaza Rama 3. Other entrepreneurs also launched new shopping centers, such as The Mall Group's Bluport and Siam Retail Group's Terminal 21 and also relaunched existing projects after renovation, including Siam Piwat Group's Siam Discovery and The Mall Group's The Mall Korat.

Under the current market conditions, consumers' purchasing behavior focused on convenience and speedy services, with less frequent visits to shopping centers and department stores due to the rapid growth of online shopping and drive-through stores. In attracting customers and satisfying their ever-changing needs, shopping center and department store entrepreneurs need to adopt new strategies and continually develop their services. CPN integrated local identities to create a unique, remarkable design for its shopping center in a given province. The interiors of CPN shopping complexes are decorated to generate an attractive environment and novel shopping experiences for customers.

Community malls and lifestyle malls

Despite the economy's sluggish recovery, this group of retail stores continued to thrive, with a large number of new projects launched during the past several years. The supply of community malls' retail space in Bangkok Metropolis and its perimeter exceeded 1 million sq.m., with the addition of 64,000 sq.m. in 2016. Nine malls were launched in 2016 including Crystal Veranda, The Commons Thonglor, Suan Plearn Market, The Bright, Habito, Ease Park Ramintra, Jas Urban Srinakarin, Mill Place Posri and G Land Tower.

Under fierce competition within this retail group due to the numerous entries of large, medium, and small-scale entrepreneurs, community mall entrepreneurs need to adjust themselves for differentiation and constantly cater to consumers' needs by modifying and expanding projects, attracting new tenants to create diversity and thrills to satisfy all aspects of customers' needs, maintaining and continually expanding regular customer bases, and providing full facilities in their projects. These required skillful management under the challenge of rising costs.

Hypermarkets and convenience stores

Few hypermarkets were launched in the year, while entrepreneurs are currently focusing on developing small stores and traditional markets to ease branch expansion work and serve diverse groups of customers. Small-store projects resemble a combination of convenience stores and supermarkets, much like super convenience stores and convenience stores, such as Mini Big C, Tesco Lotus Express, Tops Deli, and MaxValu. Recognizing that online shopping will significantly increase the income of retail businesses very soon due to consumers' behavioral changes by focusing on convenience and speedy services, online accesses were entered to ease the purchases of target groups.

The overall focuses of convenience stores were the expansion of branches to maximize areal coverage, initiation of franchising to supplement branch expansion effort, offer of diverse products, including hygienic foods and beverages at reasonable prices to serve the needs of all consumers in their respective areas, and speedy services. This retail group also applied communication technologies in conducting its business via e-commerce and online shopping, together with leveraging the social media for efficient communication with customers. In addition, foreign entrepreneurs are interested more in investing into this market. As a consequence, large-scale entrepreneurs need to focus on branch expansion and sales promotion to create and enhance their relationship with customers.

OVERVIEW OF THE RESIDENTIAL PROPERTY INDUSTRY

The residential property market thrived during the past decade, especially the last 2-3 years. By mid-2016, the value of planned projects in Bangkok Metropolis and five adjoining provinces (Nonthaburi, Pathum Thani, Samut Prakan, Samut Sakhon, and Nakhon Pathom) totaled Baht 1.65 trillion, equivalent to about 1.2% of the country's GDP of nearly Baht 14 trillion. These projects comprise single home projects valued Baht 901 billion and condominium projects valued Baht 747 billion.

The total sold value of all residential projects offered for sale was Baht 1.13 trillion, Baht 561 billion of which was that of horizontal home projects, while the sold value of condominium projects totaled Baht 566 billion.

Most home projects are clustered in areas bordering Bangkok's western suburb, namely the Thonburi part of Bangkok and Nonthaburi province; areas bordering Bangkok's eastern suburbs, which include Samut Prakan province; the northern part of Bangkok, including Pathum Thani province; both eastern and western suburb areas; and the bordering area between Bangkok and Samut Sakhon province.

Regarding condominium projects, most are located in the main business centers of Bangkok, especially along BTS and MRT mass transit routes, and expand along the new extension routes of mass transportation in Nonthaburi and Samut Prakan. Elsewhere, the condominium market still expands in other major provinces, potentially those that have in place one or more shopping centers.

2017 RETAIL AND RESIDENTIAL PROPERTY INDUSTRY OUTLOOK

In 2017, the net retail area in Bangkok and its perimeter is expected to increase by about 230,000 sq.m. This level of additional supply will have little impact on the occupancy rate, which tends to increase slightly due to tenants' steady demand for retail space and business expansion.

The two major shopping centers expected to be launched in Bangkok Metropolis at the end of year 2017 are 1) the IconSiam Project on the bank of the Chao Phraya River, a mixed-use project incorporating a residential area, a hotel, an office building, and an entertainment center for a fully integrated shopping complex; and 2) Ikea Store at CentralPlaza WestGate, Bang Yai. From 2018 to 2020, three shopping complexes are expected to be launched in Bangkok Metropolis. The first is Property Perfect Group's Bangkok Midtown Shopping Mall on Ratchadaphisek Road. The second and third projects are the Mall Group's Emsphere Shopping Mall at Phrom Phong and Bangkok Mall at Bang Na.

Major projects under construction in other provinces include CPN's CentralPlaza Nakhon Ratchasima, CentralPlaza Mahachai and CentralPhuket (Phase 2), and The Mall Group's BluPearl Phuket and Siam Retail's Terminal 21 Pattaya, etc.

In response to the establishment of AEC in 2016 and its policies that promote free movement of skilled labor and capital among member countries, the retail industry turned its attention to develop more projects in other provinces, especially border provinces and major provinces in all regions of Thailand. Many superstore malls and specialty stores have been launched, together with the launches of shopping center development projects in border provinces. Having announced new development projects in Nakhonratchasima, Samutsakorn and Phuket provinces, CPN also plans to continually expand its businesses to other prospective provinces

Regarding residential property business, its growth trend appears slightly healthier due to positive factors resulting from economic stimulus measures and the government's efforts to solve economic problems, including its investment in many infrastructure projects. As a result, purchasing power for properties looks set to continue growing. Yet, one should select the types of investment properties so as to match the genuine demand of the market, since there remains a negative risk factor concerning credit extension for properties.

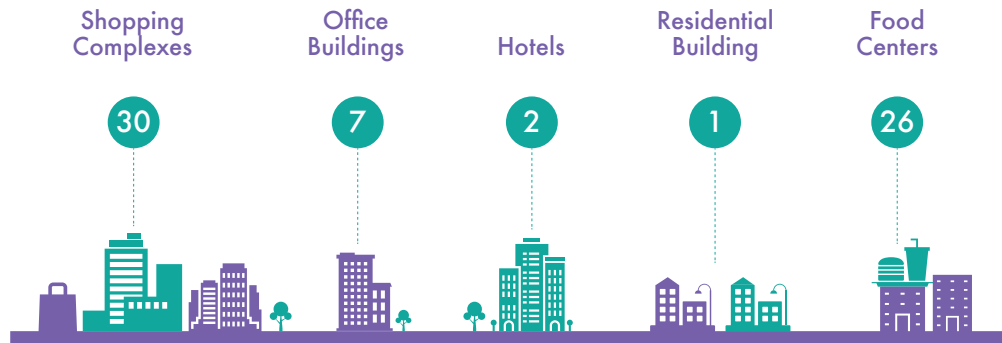
Note:

Parts of data were obtained from the information provided by the Bank of Thailand, CBRE Research, and Colliers International Research.



CentralPlaza Bangna

NATURE OF BUSINESS



Established on 17th June 1980, to develop and manage large-format and integrated shopping centers, the Company has been listed on the Stock Exchange of Thailand (SET) since 1st March 1995. Its current issued and paid-up share capital is THB 2,244,000,000 of which the majority is held by Central Holdings Co., Ltd., and Chirathivat family members.

CPN's core businesses comprise development, management of large-scale shopping complexes, and the provision of retail space for rent, complementing by other supportive businesses under mixed-use concept, which include residential business, office building and hotel business in a bid to optimize the use of land, diversify income sources, and draw in more customers to shopping centers. CPN also runs related and complementary businesses such as food centers, multi-purpose convention halls, water parks and recreation parks in some shopping complexes to facilitate shoppers. Services and facilities provided at each complex take into consideration location suitability and the needs of target customers as important factors.

CPN's project development starts from finding strategic locations, conducting feasibility studies, controlling designs and construction, administering sale, to managing the shopping complexes/office buildings after their commercial opening. Also in the scope of work is the provision of utilities, together with security and cleaning services at each site. Regarding the hotel business, CPN has employed expert hotel management companies to manage its hotels for optimum benefit.

CPN's business falls into various business groups. Categorized by the source of income, there are six business groups, described as follows:



30 SHOPPING COMPLEXES

CPN's main source of income, the shopping complex business generates over 80% of the total revenue. Income includes rental of retail spaces, utility and security services, cleaning services, rental & services of convention hall, apart from onsite media services at 30 properties – 13 in Bangkok Metropolitan area and its vicinities and 17 in prime provincial areas – of which 26 projects are owned by CPN, with four leased out to CPN Retail Growth Leasehold Property Fund ("CPNRFP"). Other sources of income include the management fee at four property projects under CPNRFP and a share of profits from investment in CPNRFP.

In 2016, CPN launched one new greenfield project, namely CentralPlaza Nakhon Si Thammarat. In 2017, CPN is going to launch 3 new projects, namely CentralPlaza Mahachai, CentralPlaza Nakhon Ratchasima and CentralPhuket.

According to its estimated data, as of 31 December 2016, CPN's gained a 21% market share of the retail industry in Bangkok Metropolitan area with net leasable area of around 1.6 million sqm under the management of CPN and its subsidiaries.



7

OFFICE BUILDINGS

The office building business involves the development of office buildings for rent, whereas the office building business not only complements that of the shopping complex, but also adds value to the project from the optimization of land use and enhances efficiency of car park management. The decision to develop an office building depends mainly on supply and demand for office space at each location. Income from the business comprises rental of office space, rental of retail shops in office buildings, and utility service fees.

At present, CPN runs seven projects of office towers, on the premises of 1) CentralPlaza Lardprao, 2) CentralPlaza Pinklao (2 towers), 3) CentralPlaza Bangna, 4) CentralWorld (The Offices at CentralWorld), 5) CentralPlaza Chaengwattana, and 6) CentralPlaza Grand Rama 9. For office buildings, CPN owns four projects and manages three projects, two projects under CPNRF (Pinklao Tower A and B Office buildings at CentralPlaza Pinklao) and one project under CPNCG (The Offices at CentralWorld). Tenants of office buildings in CentralPlaza Lardprao, CentralPlaza Pinklao, CentralPlaza Bangna, CentralPlaza Chaengwattana, and CentralPlaza Grand Rama 9 projects are mostly operators of businesses benefiting from shopping mall business such as tutorial schools, language and music schools, beauty parlors, and securities brokerage firms. The Offices at CentralWorld is different because it is a grade A office building located in the heart of the central business district, so most tenants are leading businesses, both Thai and multinational companies.



2

HOTELS

The hotel business on the same premises of shopping centers naturally complements the retail business in terms of demand and also adds value to overall project by making the most use of properties for the maximum return on investment. Key principles for consideration of hotel investment include project location, demand, supply, surrounding areas, and the project's growth potential. The hotel business comprises guest rooms, foods and beverages, seminar rooms and convention centers to serve the growth of the MICE (Meeting Incentive Convention and Exhibition) industry. Income from the hotel business comprises room revenues, sale of food & beverage and rental of units in buildings and service income, etc.

Currently, CPN owns two hotels. One is the 259-room Centara Hotel & Convention Centre Udon Thani (formerly known as Charoensri Grand Royal Hotel, a part of Charoensri Complex, acquired by CPN in April 2009) and the other is Hilton Pattaya Hotel with 302 rooms (situated on top of CentralFestival Pattaya Beach and open on November 2010). CPN has employed expert hotel management companies, namely Central Plaza Hotel Plc and Hilton Hotel Corporation, to manage Centara Hotel Udonthani and Hilton Pattaya Hotel respectively for the maximum benefit.



1

RESIDENTIAL BUILDING

Recognizing the potential of mixed-use development of shopping complex projects, CPN has developed residential projects as to maximize the benefit of CPN's core shopping-complex business. To this end, a specialized team of executives, experienced personnel and experts was set up to conduct feasibility studies on the development of residential project and execute other relevant tasks.

The development process of CPN's residential projects starts from selecting strategic locations; conducting feasibility studies on marketing information and impacts to analyze and decide on suitable types of housing for each location; procuring construction and decoration materials directly from manufacturers through a fair bidding process to compare prices and quality, benefit from the economy of scale; setting delivery prices in advance to avoid price fluctuation; and selecting contractors who are skillful, experienced, and reputable in their respective types of work under CPN's procurement procedures and standards. CPN's control systems are also in place to ensure that construction work proceeds as planned and their quality strictly controlled. Besides undertaking environmental impact assessment (EIA) to address environmental impacts potentially caused by the construction of residential projects and their utility systems, CPN requires that all projects comply with the Building Control Act and minimizes their environmental impact.

Currently, CPN has been developing three condominium projects on the premises of its shopping complexes: CentralFestival Chiangmai, CentralPlaza Khonkaen and CentralPlaza Rayong by CPN's subsidiary, CPN Residence Co., Ltd., who is in charge of

the design, development and management of the condominium projects under brand “ESCENT”. The construction of these condominiums has started since the second quarter of 2016 and should take about two years to complete and be ready to transfer and realize revenue in 2018. Additionally, CPN manages a residential building project, namely Central City Residence Condominium, a 11-unit condominium on the premises of CentralPlaza Bangna.

26 FOOD CENTERS

Food Centers are considered essential to shopping complexes. They are intended to provide convenience for customers with a wide variety of economical, quick and ready-to-serve dishes. CPN earns sizeable income from the sale of food and beverage in food centers.

2 WATER PARK AND RECREATION PARK

Water park and recreation park are supporting businesses for shopping complexes, adding variety to features and services of shopping complexes. Not only can they attract more customers to shopping complexes, but also bring happiness to customers and people in surrounding communities. To make this happen, the size of land and space availability in the project are key.

Currently, CPN is operating a water park on the sixth floor of CentralPlaza Bangna, which is designed under the theme of Pororo : The Little Penguin, a highly popular Korean animated character, to create new experiences and fun for customers and their families, the park is named “Pororo Aquapark Bangkok”. As for a recreation park, “Central Park”, a large-scale recreational park on the premises of CentralPlaza Rama 2, is open to the public and consists of a health park, a children playground, an activity area, and renowned restaurants.

2 PROPERTY FUNDS

CPN has invested in 2 property funds as per following details:

- 1) The CPN Retail Growth Leasehold Property Fund (“CPNRF”) was registered on 11 August 2005 with indefinite expiration date. The purpose of the Fund is to raise funds from unitholders to invest in properties and related equipment and leasehold rights with immovable properties as collaterals. As at 31 December 2016, CPNRF has invested in 4 specific projects, CentralPlaza Rama 2, CentralPlaza Rama 3, CentralPlaza Pinklao and CentralPlaza Chiangmai Airport. The major unitholder has been Central Pattana Public Company Limited holding 26.69% of total outstanding units.

SCB Asset Management Company Limited acts as the Management Company, KASIKORNBANK Public Company Limited acts as the Mutual fund supervisor, The Siam Commercial Bank Public Company Limited acts as the Registrar and CPN acts as the Property Manager.

- 2) The CPN Commercial Growth Leasehold Property Fund (“CPNCG”) was registered on 13 September 2012 with indefinite expiration date. The purpose of the Fund is to raise funds from unitholders to invest in properties or leasehold properties and seek benefit from properties. As at 31 December 2016, CPNCG has invested in part of office building of The Offices at CentralWorld. The major unitholder has been Central Pattana Public Company Limited holding 25% of total outstanding units.

SCB Asset Management Company Limited acts as the Management Company, KASIKORNBANK Public Company Limited acts as the Mutual fund supervisor, The Siam Commercial Bank Public Company Limited acts as the Registrar and CPN acted as the Property Manager.

As the Property Manager, CPN is entitled to receive a monthly management fee from the fund according to the property management agreement between the fund and the Property Manager.

Currently, the projects under the management of CPN and its subsidiaries are:

PROJECTS OWNED BY CPN	Shopping Complexes	Office Buildings	Hotels	Residential Building	Food Centers
CentralPlaza Lardprao	•	•			
CentralPlaza Ramindra	•				
CentralMarina (Formerly Central Center Pattaya)	•				•
CentralPlaza Bangna	•	•		•	•
CentralWorld	•				
CentralPlaza Rattanathibet	•				•
CentralPlaza Chaengwattana	•	•			•
CentralFestival Pattaya Beach	•		•		•
CentralPlaza Udonthani	•		•		•
CentralPlaza Chonburi	•				•
CentralPlaza Khonkaen	•				•
CentralPlaza Chiangrai	•				•
CentralPlaza Phitsanulok	•				•
CentralPlaza Grand Rama 9	•	•			
CentralPlaza Suratthani	•				•
CentralPlaza Lampang	•				•
CentralPlaza Ubonratchathani	•				•
CentralFestival Chiangmai	•				•
CentralFestival Hatyai	•				•
CentralFestival Samui	•				•
CentralPlaza Salaya	•				•
CentralPlaza Rayong	•				•
CentralFestival Phuket	•				•
CentralPlaza WestGate	•				•
CentralFestival EastVille	•				•
CentralPlaza Nakhon Si Thammarat	•				•

PROJECTS MANAGED BY CPN	Shopping Complexes	Office Buildings	Hotels	Residential Buildings	Food Centers
CentralPlaza Pinklao ¹⁾	•	•			•
CentralPlaza Rama 3 ²⁾	•				•
CentralPlaza Rama 2 ³⁾	•				•
CentralPlaza Chiangmai Airport ⁴⁾	•				•
CentralWorld ⁵⁾		•			

Note:

¹⁾ 42% of CPN's shopping malls and all of the office buildings were subleased to CPNRF from November 2009 to December 2024. Note that leased area for CPNRF to invest is subject to change after the conclusion of area allocation given the major renovation of CentralPlaza Pinklao.

²⁾ 81% of CPN's asset was leased to CPNRF from August 2005 to August 2035 (a 30-year lease can be renewed twice)

³⁾ 96% of CPN's asset was subleased to CPNRF from August 2005 to August 2025

⁴⁾ 49% of CPN's asset was leased to CPNRF from April 2014 to April 2044

⁵⁾ 97% of the Offices at CentralWorld was subleased to CPNCG from September 2012 to September 2032 (part 1) and from December 2012 to December 2032 (part 2)

ASSETS UNDER CPN'S MANAGEMENT



RETAIL PROPERTIES

Retail Properties	Year of Operation	Development ^{/2}	Land Ownership ^{/3}
1. CentralPlaza Lardprao	December 1982	G	L (2028)
2. CentralPlaza Ramindra	November 1993	G	L (2023)
3. CentralPlaza Pinklao ^{/1}	March 1995	G	L (2027)
4. CentralMarina (Formerly, Central Center Pattaya)	July 1995	G	L (2035) ^{/6}
5. CentralPlaza Chiangmai Airport ^{/1}	March 1996 ^{/4}	A	F
6. CentralPlaza Rama 3 ^{/1}	October 1997	G	F
7. CentralPlaza Bangna	December 2001 ^{/4}	A	F
8. CentralPlaza Rama 2 ^{/1}	December 2002	G	L (2025)
9. CentralWorld	December 2002 ^{/4}	A	L (2040)
10. CentralPlaza Rattanaibet	December 2003 ^{/4}	A	F&L (2034)
11. CentralPlaza Chaengwattana	November 2008	G	F
12. CentralFestival Pattaya Beach	January 2009	G	F&L (2038)
13. CentralPlaza Udonthani	April 2009 ^{/4}	A	F
14. CentralPlaza Chonburi	May 2009	G	F&L (2027)
15. CentralPlaza Khonkaen	December 2009	G	F
16. CentralPlaza Chiangrai	March 2011	G	F
17. CentralPlaza Phitsanulok	October 2011	G	F
18. CentralPlaza Grand Rama 9	December 2011	G	L (2040)
19. CentralPlaza Suratthani	October 2012	G	F
20. CentralPlaza Lampang	November 2012	G	L (2041)
21. CentralPlaza Ubonratchathani	April 2013	G	F
22. CentralFestival Chiangmai	November 2013	G	F
23. CentralFestival Hatyai	December 2013	G	F
24. CentralFestival Samui	March 2014	G	L (2043)
25. CentralPlaza Salaya	August 2014	G	F&L (2044)
26. CentralPlaza Rayong	May 2015	G	F

Data as of 31 December 2016

Investment Cost of Total Project as end of 2016 ^{/5}	Total Project GFA (sqm)	Parking Space (vehicles)	Hall (sqm)	Leaseable Area (sqm)	Occupancy Rate (%)	No.of Tenants (shops)
4,428	310,000	3,000	4,500	48,245	99%	351
659	86,000	1,000	-	17,193	97%	76
3,004	370,000	3,500	-	63,460	97%	363
1,534	70,000	400	-	17,263	80%	88
2,300	250,000	2,300	4,800	77,529	95%	597
1,420	220,000	2,300	-	55,822	92%	261
5,570	500,000	3,250	-	62,872	89%	288
1,245	210,000	3,200	4,100	93,602	88%	334
13,146	830,000	7,000	-	199,501	95%	455
2,354	140,000	2,000	-	77,255	96%	193
5,370	310,000	3,300	4,200	65,972	94%	369
6,564	210,000	2,000	-	57,557	96%	226
5,142	250,000	2,000	5,000	72,893	94%	229
2,813	156,000	2,040	-	40,383	98%	259
3,931	200,000	2,100	4,100	49,904	92%	288
1,670	110,000	1,000	-	24,027	98%	110
1,535	100,000	1,440	-	26,368	95%	137
5,161	214,000	2,400	-	59,153	98%	241
2,236	130,000	1,400	4,700	34,335	94%	123
1,108	110,000	2,000	-	22,261	94%	88
1,830	151,000	1,500	-	32,213	97%	139
4,274	260,000	3,500	-	66,069	94%	220
4,899	295,000	2,500	5,000	69,800	88%	207
1,860	76,000	600	-	31,603	96%	120
2,590	185,500	1,600	-	38,529	93%	195
2,627	155,000	2,000	1,000	30,466	95%	174

Retail Properties	Year of Operation	Development ^{/2}	Land Ownership ^{/3}
27. CentralFestival Phuket	June 2015	A	L (2056)
28. CentralPlaza WestGate	August 2015	G	L (2043)
29. CentralFestival EastVille	November 2015	G	F&L (2045)
30. CentralPlaza Nakhon Si Thammarat	July 2016	G	F
Total			

Remarks: ^{1/} For CentralPlaza Pinklao, 42% of asset was subleased to CPNRF from November 2009 to December 2024. Note that leased area for CPNRF to invest is subject to change after the conclusion of area allocation given the major renovation of CentralPlaza Pinklao.

For CentralPlaza Rama 3, 81% of asset was leased to CPNRF from August 2005 to August 2035.

For CentralPlaza Rama 2, 96% of asset was subleased to CPNRF from August 2005 to August 2025.

For CentralPlaza Chiangmai Airport, 49% of asset was leased to CPNRF from April 2014 to April 2044.

^{2/} Development (A=Acquisition), (G= Greenfield)

^{3/} Land Ownership (F=Freehold), (L=Leasehold expired in (year))

^{4/} Year of acquisition.

^{5/} Includes investment of office/residentail/hotel components. Excludes annual lease payments and investments of the assets leased/subleased to CPNRF.

^{6/} CPN has renewed its land lease with the lessor for another 20 years ended in 2035.

Data as of 31 December 2016

Investment Cost of Total Project as end of 2016 ^{/5}	Total Project GFA (sqm)	Parking Space (vehicles)	Hall (sqm)	Leaseable Area (sqm)	Occupancy Rate (%)	No.of Tenants (shops)
6,682	137,000	1,100	-	38,748	94%	131
7,153	352,000	4,000	5,000	79,321	94%	348
3,830	150,000	1,824	-	35,867	94%	182
1,680	90,000	1,500	-	21,376	87%	120
108,616	6,627,500			1,609,588	94%	6,912



OFFICE PROPERTIES

Data as of 31 December 2016

Office Properties	Year of Operation	Development ^{/4}	Land Ownership ^{/5}	Leaseable Area (sqm)	Occupancy Rate (%)	No. of Tenants (units)
1. Lardprao Office	December 1982	G	L (2028)	16,250	96%	71
2. Pinklao Tower A Office ^{/1}	March 1995	G		22,426	86%	49
3. Bangna Office	December 2001 ^{/2}	A	F	10,007	93%	27
4. The Offices at CentralWorld ^{/3}	November 2004	A	L (2040)	84,074	100%	103
5. Pinklao Tower B Office ^{/1}	March 2006	G		11,334	98%	54
6. Chaengwattana Office	March 2009	G	F	19,942	97%	51
7. Grand Rama 9 Office	December 2011	G	L (2040)	6,454	97%	32
Total				170,487	97%	387

Note: ^{1/} Pinklao Tower A and Tower B were subleased to CPNRF from November 2009 to December 2024.

^{2/} Year of acquisition

^{3/} 97% of the Offices at CentralWorld were subleased to CPNCG from September 2012 to September 2032 (part 1) and from December 2012 to December 2032 (part 2)

^{4/} Development (A=Acquisition), (G=Greenfield)

^{5/} Land Ownership (F=Freehold), (L=Leasehold)



HOTEL PROPERTIES

Data as of 31 December 2016

Hotel Properties	Year of Operation	No. of Guest Rooms	Occupancy Rate (%)
1. Centara Hotel & Convention Centre Udon Thani ^{/1}	April 2009 ^{/3}	259	80%
2. Hilton Pattaya ^{/2}	November 2010	302	84%
Total		561	83%

Note: ^{1/} CPN is the project owner and Central Plaza Hotel Plc is the hotel manager.

^{2/} CPN is the project owner and Hilton Hotel Corporation is the hotel manager.

^{3/} Year of acquisition



RESIDENTIAL PROPERTIES

Data as of 31 December 2016

Residential Properties	Year of Operation	Leaseable Area (sqm)	Occupancy Rate (%)
1. Central City Residential ^{/1}	December 2001 ^{/2}	1,567	21%
Total		1,567	21%

Note: ^{1/} CPN owns strata-title of 11 units of the condominium.

^{2/} Year of acquisition

FUTURE PROJECTS



DOMESTIC PROJECTS



SHOPPING CENTER PROJECT

CENTRALPLAZA MAHACHAI



Location:

On Highway 35 (Thonburi – Pak Thaw Road), Na Dee Sub-District, Mueang Samut Sakhon District, Samut Sakhon (Mahachai new town area)



Size:

About 98 rai of land (CPN has the land ownership) to develop a three-storey shopping center project occupying 171,000 sq.m., of which CPN's area accounts for 148,000 sq.m. CentralPlaza Mahachai consists of Robinson Department Store and anchor tenants including Tops Market, PowerBuy, B2S, SuperSports, and OfficeMate. The 2,900-sq.m. outdoor space will be developed into a souvenir market and a seafood market. The project will house over 300 leading brand outlets along with a food destination for diverse lifestyles in an area of 10,000 sq.m., featuring lifestyle restaurants,

family restaurants, coffee shops, bakery shops, and a takeaway food corner-catering to lifestyle shopping and casual, friendly get-togethers for eating and drinking alike. The project can accommodate over 1,500 cars.



Potential:

CentralPlaza Mahachai lies on a high-potential location on Rama II Road, the main route to the South, considered a perfect rest area complete with convenience stores, gift shops, restaurants, and a lifestyle market. Conveniently located from Bangkok, it can link to an expressway right in front; alternatively, one can use the Outer Ring Road to get to it. The front portion houses a spacious car park that readily accommodates buses, tour buses, and other vehicles. The project lies among economic and industrial hubs

of Samut Sakhon and nearby provinces. Above all, this area is reputed for fresh seafood, to be made a project highlight; a new format of urban seafood outlets, served by chefs who cook various favourite dishes to order.



Progress:

Under construction. The project is set for completion and launch in 2017.



Investment:

About 3,200 MB (excluding investment in Robinson Department Store, to be the responsibility of Robinson Department Store)



CENTRALPLAZA NAKHON RATCHASIMA



Location:

On Mittraphap Road, straddling three subdistricts (Ban Ko, Cho Ho, and Nai Mueang) of Amphoe Mueang Nakhonratchasima, Nakhonratchasima province.



Size:

About 65 rai of land (CPN has the land ownership) with a total project area of 308,000 sq.m., of which CPN's area accounts for 270,000 sq.m. The project will house Central Department Store and anchor tenants like Tops Market, PowerBuy, B2S, SuperSports, and OfficeMate. The site will also house over 400 retail fashion boutiques of leading Thai and global brands and be a meeting place for all types of activities to meet the lifestyles of everyone in the family, offering a public park with running tracks, bike lane with waterfront environment, pet zone and lifestyle market. The project also provides an outdoor space to support all types of functional events and a multipurpose convention hall to

accommodate national events, and even for large regional events. This new project will become the entertainment complex, featuring with world standard cinema screens and indoor & outdoor fun park for children. The project is equipped with parking space for over 3,500 vehicles.



Potential:

The project is situated on a strategic site of Nakhonratchasima, a northeastern economic hub with the highest GPP in the northeast. Nakhonratchasima sees rapid urban growth and expansion of property projects, particularly housing projects. The province is also regarded as one of the country's prime industrial centers where the agricultural industry, and electronics and high-technology industries are located. It is a popular tourist attraction for over 5 million tourists a year. The project therefore targets the purchasing power of 2.8 million

Nakhonratchasima residents and those from nearby provinces, Buri Ram and Chaiya Phum. Having long been the gateway to the Northeast, Nakhonratchasima has a geographical connection to 20 provinces in the region and some ASEAN economies. This is where the government's mega-projects are centered, including the logistics rail route, the Bangkok - Nakhonratchasima high-speed train, the Map Kabao - Nakhonratchasima dual carriage railway, and Bang Pa-In - Nakhonratchasima Motorway.



Progress:

Under construction. The project is set for completion and launch in 2017.



Investment:

About 5,200 MB (excluding investment in Central Department Store, to be the responsibility of Central Department Store)



CENTRALPHUKET



Location:

At the corner of Thap Kasatri and Wichit Songkhram Roads, Wichit Sub-District, Mueang District, Phuket



Size:

About 57-rai plot of land (CPN has the land lease rights), with a total project area of 244,000 sq.m., of which CPN's area accounts for 219,000 sq.m. This project is to be a luxury shopping mall consisting of a three-storey shopping center and one basement. CentralPhuket houses leading luxury brands, Central Food Hall, a premium supermarket, Eat Thai food court, a spa, cinemas, and a world-class entertainment hub featuring Tales of Thailand floating market zone, Aquaria underwater world, and The Mystic Forest botanical garden, which is guaranteed to thrill worldwide tourists, among others. In addition, one can find gastronomic delights, including bars and bistros, lifestyle restaurants, family restaurants, coffee shops, bakery shops, a Food Park food court, and a Take Home food corner. The project can accommodate over 3,000 cars.



Potential:

This project lies close to Phuket International Airport and in the heart of the island at Thai Nan Intersection, the foremost business district and a connecting point for all major routes. The project is facing 1,500 meters to the road and providing a broad perspective. This location will be developed into a perfect business district of Phuket, leveraging on the success of CentralFestival Phuket in response to luxury and casual lifestyles of both Thais and tourists.

CPN plans to combine the existing CentralFestival Phuket and new CentralPhuket together as one of a large-scale integrated shopping complex in Phuket. The project is to cater for a multi-level purchasing power of various customer groups both local and foreign and to enhance its competitive advantage over counterparts. The whole project involves a total of three phases. The first phase is the existing CentralFestival Phuket, which is to be renovated to give a refreshing, magnificent look and house leading worldwide brands as well as countless leading international brands of restaurants. The second phase represents the new development under this CentralPhuket project, catering to luxury lifestyles of the tourist group with high purchasing power and complete with brand flagship stores and world-class live attractions to bring novel experiences to shoppers. The

first and second phases will be connected by a "Skylink" decorated as a lush park, with a flat escalator for patrons' extra convenience.

In addition, CPN is preparing future development of the third phase, which will consist of a luxury hotel, a large and most advanced international convention center in the South for conferences and national events, and world-class expositions, not to mention a tremendous theme park for tourists' family groups.



Progress:

Under construction of Phase 2. The project is set for completion and launch in late 2017.



Investment:

About 6,650 MB (excluding investment in Central Department Store, to be the responsibility of Central Department Store)



In addition, recognizing the potential of mixed-use development of shopping complex projects, CPN is going to develop residence projects in optimal support of its core shopping-complex business. To this end, CPN has set up a department consisting of experienced, skillful

executives and personnel to investigate such development's feasibility and execute relevant tasks. Three condominiums are under development on the premises of CPN's shopping complex at CentralFestival Chiangmai, CentralPlaza Khonkaen and CentralPlaza

Rayong, worth approximately Baht 3,000 million by a CPN's subsidiary, CPN Residence Co. Ltd., who is in charge of the design, development and management of the condominium projects under brand "ESCENT".

CONDOMINIUM PROJECT

ESCENT

Details of projects under development:

ESCENT	Chiangmai	Khonkaen	Rayong
Location	By Highway 118, Chiangmai-Doi Saket Road, Fa Ham Sub District, Mueang Chiangmai District, Chiangmai	By Highway 2 (Mittraphap Road), Nai Mueang Sub District, Mueang Khonkaen District, Khonkaen	By Highway 36, (Sai bannongmahad- Banchaikapom Road), Choeng Noen Sub-District, Mueang Rayong District, Rayong
Land area	2-0-88.1 Rai	2-1-45.5 Rai	2-3-60.4 Rai
Type	26-storey Condominium	24-storey Condominium	25-storey Condominium
No. of Units	400	408	419
Size	24-42 square metres Fully Furnished Ready to Move In		
Construction Period	Approximately 2 years , Ready for transfer in 2018		
Target Customer	Local residents and employees working in surrounding areas who buy property for their own use		
Project Investment (Excluding Land Cost)	1,626 MB		

CPN Residence plans to launch continually 3 residential projects a year, following CPN's shopping complexes with prime locations across Thailand. CPN will develop projects in the concept of Residential & Commercial Community, leveraging on the leading position in retail business together with its experienced real estate team to move forward with business expansion.

OVERSEAS PROJECT

SHOPPING CENTER PROJECT

For over the past five years, CPN has been contemplating overseas investment, especially in Asian countries with high economic potential, to expand its business base while diversifying investment risks. In doing so, different market conditions, competition, and business risks are considered. A working committee was appointed to investigate target countries in a variety of aspects, whether economic, social, political, industrial, competition, business laws, or associated risks in each country to screen markets blessed with potential, business opportunities, and suitability to CPN's business. All projects under the plan have undergone stringent feasibility assessment for maximum

effectiveness of investment decisions to ensure that its overseas investment is made on the path of sustainability and growth.

CPN looked into additional investment opportunities in Southeast Asia, with a focus on Malaysia, Vietnam and Indonesia. Overseas projects include the renovation of existing shopping complexes as well as brand-new projects in areas with great potential. To this end, CPN may undertake joint investment with overseas business allies so as to penetrate new markets rapidly, efficiently, and robustly to boost competitiveness in a given country. Today, CPN has certain data support from Central Group, a

precedented investor in these countries, which has enabled CPN to analyze and develop overseas projects more efficiently. At this stage, CPN has participated in Malaysia's Central i-City project as its pioneering shopping complex abroad, since it envisions retail commerce there to be blessed with opportunities and growth potential, underpinned by Malaysia's economic and industrial growth outlook.





CENTRAL i-CITY



Joint Venture:

CPN set up a joint-venture company with I-R&D Sdn. Bhd. (IRD), a subsidiary of Malaysia's I-Berhad, a listed company on the Bursa Stock Exchange engaged in the property development business, to develop Central i-City project. CPN holds 60% shares in the project through subsidiaries registered in Thailand, while IRD holds the rest 40%. The joint-venture company will hire CPN as a property manager and CPN will get the management fee in return.



Location:

In Section 7 of Shah Alam City, Selangor, 22 kilometers from Kuala Lumpur and between two main highways (Federal Highway and Baru Lembah Klang Highway). Directly connected to the Federal Highway, the site has convenient access from Kuala Lumpur, Klang, and Shah Alam.



Size:

A total 11.12 acres (about 28 rai) of land under the ownership, with a total project area of 278,000 sq.m. Intended as a Regional Mall, CPN is in charge of the design, development, and management. The project will make a clear differentiation to Malaysia's retail industry, bringing in leading brands from Thailand and store design innovation. A parking area for over 3,000 vehicles will be provided.



Potential:

The project is situated in the i-City "Malaysia Cybercenter", Malaysia's new technology city of 72 acres. The project is planned as an integrated community center in the west of Selangor, serving as a main business center, a residential area, and a recreational zone equipped with complete entertainment, a shopping mall, a cyber center, office space for leading businesses, a hotel, a housing complex, retail shops, as well as a water park, a snow dome, and a Ferris wheel. It is also planned as a tourist spot with night lighting decoration.

A performing arts center will be developed to attract more tourists. The target customers are some 600,000 residents of Shah Alam, comprising middle to upper-income groups, noting that the middle-income group with high purchasing power is mushrooming. The over 5 million residents of Selangor and those from nearby states are also potential customers.



Progress:

Under construction. The project is planned for completion and launch in 2018.



Investment:

About RM 830 million (total investment for whole project including investment in department store with which CPN holds 60% stake in the joint venture)

VISION

"To be the most admired
and dynamic regional retail property developer
with world-class rewarding experience"

MISSION

Based on the vision,
CPN strives to accomplish
four missions to turn
its vision into reality.

1

MOST ADMIRED RETAIL DEVELOPER OF ALL STAKEHOLDERS

“To be the preferred mall of choice, delivering extraordinary values that exceed all stakeholders’ expectation”

- To be the investor of choice by delivering competitive and sustainable returns to shareholders, investors, and strategic partners.
- To be the happiness experience destination of targeted shoppers by delivering world-class rewarding experience.
- To be the most preferred partner of targeted tenants and partners by delivering business success together with long-term relationships.
- To be the top-ranked employer of choice by offering brilliant career opportunities and engaged society.
- To be the most socially and community-admired brand through CPN’s shopping mall positioning and signature corporate social responsibility programs.

2

DYNAMIC RETAIL DEVELOPER

“To create new retail formats and merchandising mix that fit better with our targeted customers’ changing lifestyles.”

CPN fully recognizes that customers’ dynamicity poses a key challenge. By the minute, customers have higher expectations, more complicated needs, and ready access to information. CPN’s own dynamicity pushes its shopping centers toward greater sophistication to cater to customers’ lifestyles. To this end, CPN never stops inventing formats for shopping centers, selects novelty shops and outlets that are both modern and match customers’ needs, applies advanced technology to customer services, stages outstanding and unique activities to create new experiences for customers, and synergizes with affiliates in catering to customers’ needs while striving for maximum impression among service users.

3

REGIONAL RETAIL DEVELOPER

“To be a potential leader in the region and be considered as threat in all markets that we operate in”

CPN is committed to steady, sustainable growth, with the next step being a regional organization. To this end, we are committed to becoming a renowned retail property developer, with rapidly successful regional projects. Our prospective markets are clearly identified after prudent, strategic deliberation, with business plans and alliance formation plans that can promptly address business opportunities. All the time, the organization and its teams develop themselves for the capability and readiness to operate overseas business as envisioned.

4

WORLD-CLASS REWARDING EXPERIENCE

“To be the shopping mall destination delivering world-class shopping experience superior to those of our competitors in all markets that we have presence in”

Constantly recognizing that CPN is not just a shopping center developer, but also a deliverer of happiness to everyone, we ensure that all components of our shopping centers pay due attention to service users—whether through shop selection aimed for diversity and novelty, staging of interesting activities, or complete amenities. CPN is convinced that high standards and world-class qualities lead to market leadership, which is why we are always committed to attaining world-class status. We are convinced that our world-class happiness experience can put CPN at the top of customers’ mind and at the top of regional shopping center developers’ list in the future.

CORPORATE VALUES

Defining a challenging business vision, CPN aspires to become the most admired and dynamic regional retail property developers. At CPN, each employee is committed to the

"TO BE CONFIDENTLY CREATIVE AND STRIVE FOR EXCELLENCE TOGETHER"

value, passed on from one generation to another to drive value-creation and exceed all stakeholders' expectations while maintaining quality in keeping with CPN's way and culture.

"COMMITTED TO CREATING SATISFYING EXPERIENCES"

CPN is committed to ensuring that everyone exercises their initiatives and sparks positive ideas, methods, or innovations to improve work through outstanding and unique performance. Unfamiliar ideas can be developed and applied for positive benefit and impressive outcomes.

"COMMITTED FOR FAITH"

CPN is committed to cultivating trust and achieving acceptance by others through a display of maturity, credibility, judiciousness, fairness, collaboration, accountability, and other actions taken with due regard for related parties and CPN at large.

"COMMITTED TO EXCELLENCE"

CPN focuses on achievement by all personnel and their ability to push for results against goals with due attention and recognition of all quality-related aspects. It also focuses on professionalism and mastery of the task at hand, as well as attention paid to regular self-improvement to supplement value and support CPN's successful achievement of desired directions and strategies.

"COMMITTED TO JOINT SUCCESS WITH PARTNERS"

CPN stresses its employees' cordial relations with others by extending cooperation, help, support, information, and wholehearted contribution to teams or people, both inside and outside their own units. Employees should manage conflicts and creatively resolve problems with consistent respect for and honor toward others so as to maintain friendship with all parties.





SUSTAINABILITY MANAGEMENT

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

MSCI

2017 Constituent
MSCI Global
Sustainability Indexes



FTSE4Good

Since the establishment in 1980, CPN has operated in compliance with the principles of Corporate Governance (CG) and Sustainable Development (SD). Until now, CPN has developed and managed totally 30 projects of CentralWorld, CentralPlaza, and CentralFestival countrywide. It is committed to driving the business toward growth and prosperity. Based on the philosophy of sustainability development, CPN pays attention to all stakeholders along the value chain. It also defines clear policies and practices on energy and environment conservation, occupational health and safety as well as anti-corruption practices, which CPN is a member of Thailand's Private Sector Collective Action against Corruption (CAC), under the vision "To be the most admired and dynamic regional retail property developer with world-class rewarding experience" and value "To be confidently creative and strive for excellence to together".

STRUCTURE OF SUSTAINABILITY DEVELOPMENT

1. Corporate Governance and Sustainable Development Committee (CG-SD Committee)

comprises 11 senior executives, with the CEO as Chairman, Senior Executive Vice Presidents and Executive Vice Presidents from all business groups and central units as directors. The Committee has established sustainability missions and reviewed policies, strategies, operational plans, requirements, standardized systems, and operational approaches including follows-up to ensure that the performance is driven toward the same direction (the detail of Subcommittee: Corporate Governance and Sustainable Development Committee, page 131). In 2016, five meetings were held and four reports were submitted to the Audit Committee, tasked also with overseeing sustainable development.

2. Risk Management Committee

comprises 14 senior executives from all business groups with the CEO as Chairman. The Committee encourages executives at all levels to support the philosophy of risk management, assess their scopes of work to be under risk appetite, set policies and control framework, and follow up progress on corporate risk management in compliance with indicated requirements, direction, and rules. It is required to attend quarterly meetings and report to the Risk Policy Committee.

3. Climate Change and Environment Committee

comprises 10 senior executives and those at the managerial level from Business Development and Construction Management unit and the Property Management unit to drive policies on climate and the environment. It also oversees the operation and management of natural resources, energy, public utility, environment, biodiversity, waste management, reduction of greenhouse gas (GHG) emissions, and renewable energy to systematically and sustainably maximize benefits and efficiency. CPN cascades the policies to operations team responsible for energy and public utility in each branch. An Energy Assessment Work Team oversees the operations of each branch to ensure that its performance achieves goal. It is required to quarterly report the progress to the CG-SD Committee and Management Committee.

4. The Occupational Health, Safety, and Environment Committee

in the Head Office comprises 13 persons from senior executives from the Property Management unit, those at the managerial level from the support groups, and operational officers to drive and raise

standards of occupational health and safety in the organization toward the same direction. A report is periodically submitted to the Risk Management Committee.

5. The People Development Committee at Corporate Level


comprises five Senior Executive Vice Presidents, an advisor from the Executive Committee, and an advisor from Personnel Administration with the CEO as the Chairman. An Executive Vice President also joins the meeting to devise strategies, follow up, and provide advice concerning human resource development. Knowledge is systematically cascaded down by establishing the People Development Committee at the levels of group, division and branch.



SUSTAINABILITY STRATEGY FORMULATION




In 2016, the CG-SD Committee and the Risk Policy Committee jointly reviewed and evaluated critical issues of sustainable development and business risks by referring to Dow Jones Sustainability Assessment Criteria to align with Committee of Sponsoring Organizations of the Treadway Commission (COSO) and Global Reporting Initiative (GRI:G4). It also takes UN Sustainable Development Goals (SDGs) together with stakeholders' opinions into account to make sure that the formulation of strategic plans and corporate indicators leads to proper management, serves the stakeholders' needs, and supports international approaches of sustainability development.


Listening to Comments and Recommendations and Engagement of Key Stakeholders

CPN analyzes and identifies key stakeholders, provides them with channels to give comments and recommendations, and endorses their engagement. This will help CPN properly serve their needs and meet their expectations.

Key Stakeholders	Examples of Communications Channels and Stakeholders' Engagement	Issues in Stakeholders' Interest	Stakeholder Response Mechanism
 Customers	<ul style="list-style-type: none"> • Website • Social media • Media in the shopping centers • Customer services staff at information counter or on-site staff such as housekeepers and security guards • CPN Call Center: +66 (0) 2021 9999 • Call Point at parking area • E-mail : whistleblower@cpn.co.th or CEO@cpn.co.th • Annual customer satisfaction survey • Satisfaction survey on sales promotion activities • Customer behavior survey 	<ul style="list-style-type: none"> • Marketing and sale promotion campaigns • New trends and consumer behavior • Ideas and inspiration • Incident reporting or assistance request • Giving comments, recommendations, and complaints • Comments and recommendations on products and services • Changing consumer needs and behavior 	<ul style="list-style-type: none"> • Introducing new formats of activities and services to better fulfill consumer needs • Setting standards to improve services continuously improving service. • In case that issues requiring immediate response such as inevitable acts, officers will inform relevant units to take action and provide assistance immediately. • In case that issues for improvement including compliments, officers will gather and analyze comments to formulate response plan or take into proper commendation process. • Improving service and changing merchandise mix to gain customers' satisfaction.

Key Stakeholders	Examples of Communications Channels and Stakeholders' Engagement	Issues in Stakeholders' Interest	Stakeholder Response Mechanism
 Tenants	<ul style="list-style-type: none"> • Quarterly and annual tenant meetings • Newsletters • Visiting and meeting with tenants to listen to their issues and find solutions together • CPN branch hotline ext. 1233. Tenants may directly contact CPN office at the branch where their shops are located. • Daily shop visit • CPN Call Center: +66 (0) 2021 9999 • E-mail : whistleblower@cpn.co.th or CEO@cpn.co.th • Annual tenant satisfaction survey 	<ul style="list-style-type: none"> • CPN business plans such as a project launch or renovation plan • Policies, practice guidelines, and measures • Development on capacity and potential to operate and expand business • Service request or on-site incident reporting • Recommendations and comments on shopping mall management or tenant services 	<ul style="list-style-type: none"> • Communicating CPN movement and growth direction to tenants • Supporting tenants to expand, improve, and develop their businesses. • Defining service measures that are on par with international standards. • Jointly formulating marketing plans to improve tenants' sales volumes • Holding annual training sessions for tenants • Providing services and solution based on international standards and significantly reducing the number of complaints • Improving service standards to satisfy the tenants.
 Employees	<ul style="list-style-type: none"> • Newsletters for internal communication such as ADMIRE, ADMIRE Plus, ADMIRE Touch, and CPN Update • Internal communication via Intranet and e-mail • Annual Management Information Meeting • Management-meet-employees activities • Annual branch/division communication activities • Formal and informal opinion survey • Annual survey on employees' opinion and engagement • Annual employee potential assessment • Receiving suggestions/complaints via PO box • E-mail: whistleblower@cpn.co.th or CEO@cpn.co.th 	<ul style="list-style-type: none"> • Business direction, policies, practices, measures and awards • Welfare and benefits • Development of knowledge, capacity, skills, and experience • Career security and advancement • Giving comments and complaints 	<ul style="list-style-type: none"> • Regularly communicating CPN movement and business direction to employees • Using employees' comments to develop and improve the organization • Improving employee welfare such as medical welfare and transportation reimbursement to suit the circumstance and market conditions • Adjusting personnel development strategies to suit the nature of work. • Conducting investigation under complaint-handling process and protecting complainants' rights

Key Stakeholders	Examples of Communications Channels and Stakeholders' Engagement	Issues in Stakeholders' Interest	Stakeholder Response Mechanism
 Suppliers/ Contractors	<ul style="list-style-type: none"> • Newsletters • Site visits • Meeting to discuss or acknowledge issues and jointly find solutions • Annual supplier meeting • Receiving suggestions/complaints via PO box • E-mail: whistleblower@cpn.co.th or CEO@cpn.co.th 	<ul style="list-style-type: none"> • Business direction, policies, practice, and other measures • Capacity building • Give suggestions and complaints 	<ul style="list-style-type: none"> • Communicating CPN business direction to the suppliers and contractors • Sharing knowledge of construction innovation and eco-friendly and energy-efficient technologies. • Adjusting the supplier and contractor screening process to align with CPN's sustainability approach. • Developing the Code of Conduct for Suppliers
 Communities, government agencies, civil society sector, and representatives of private sector	<ul style="list-style-type: none"> • Visiting communities and representatives of community, public sector, and private sector 	<ul style="list-style-type: none"> • Business direction, practices, and marketing activities • Impacts on communities 	<ul style="list-style-type: none"> • Holding activities or offering venues to hold activities promoting communities' value, tradition, and culture • Joining contractors and suppliers in monitoring the potential impacts on surrounding communities during the construction • Holding CPN Volunteer for community interests such as a fire drill
 Shareholders	<ul style="list-style-type: none"> • Annual General Shareholders' Meeting (AGM) • The announcement of quarterly performance results in Analyst Briefing and Opportunity Day in cooperation with SET. The information is also disclosed on the website: www.cpn.co.th/investor_en.aspx • Annual report • Direct line of Investor Relations • Other communication channels of Central Group 	<ul style="list-style-type: none"> • Performance results and business growth • Business direction and short-term and long-term operational strategies • Equitable treatment of shareholders • Giving comments, recommendations, and complaints 	<ul style="list-style-type: none"> • Create sustainable quality growth, with steady returns and high performance • Developing the Code of Conduct in compliance with international standards as an operational guideline

Key Stakeholders	Examples of Communications Channels and Stakeholders' Engagement	Issues in Stakeholders' Interest	Stakeholder Response Mechanism
 <p>Business competitors</p>	<ul style="list-style-type: none"> • Thai Shopping Center Association • Online communication channels and social network 	<ul style="list-style-type: none"> • Conducting business under the principle of fair competition • Jointly managing and developing the retail business as a whole 	<ul style="list-style-type: none"> • Disclosing helpful information among members • Disclosing information on growth, trends, and approach to drive overall business to the public such as holding press conferences • Representing the business sector to drive forward measures and policies that stimulate macroeconomic growth such as measures to promote Thailand as a shopping destination.

MATERIAL ISSUE IDENTIFICATION APPROACH

01

Issue Identification

CPN identifies material issues, risks, and opportunities related to sustainability by analyzing external factors such as global trends in the same or related business segment, change in consumer behavior, and trends of market competition, together with internal factors like performance, weaknesses, and strengths. Also taken into consideration are risk indicators at corporate levels and key issues gained from stakeholders' comments, recommendations, and key stakeholders' engagement.

02

Evaluation

The Division of Excellence and Sustainable Development jointly evaluates material issues, risks, and opportunities with related units in small group meetings. This aims to consider the impacts and review importance levels from the perspectives of external stakeholders. It assesses opportunities and economic, environmental, and social impacts caused by CPN's business, giving the score from 1 to 5. The importance of issues is considered at three levels taken from stakeholders' perspectives.

03

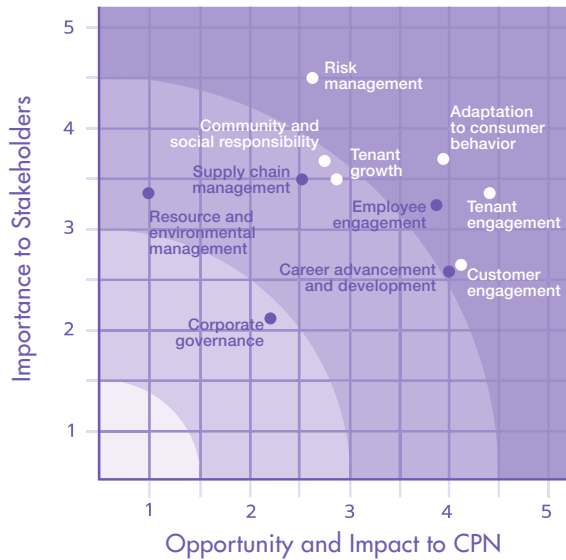
Prioritization

The Risk Policy Committee, CG-SD Committee, and external experts join a workshop to verify if all material issues are included and prioritized, based on the perspectives of stakeholders and CPN executives. The material issues, risks, and opportunities, under the scope of internal and external impacts are then approved and confirmed. In 2016, the workshop finalized 11 material issues to be further determined as sustainability missions, operational plans, risk factors, and risk management plans.

04

Review and Report

Once sustainability missions and risk management are implemented, CPN monitors and analyzes the performance and gathers information from stakeholders' comments to review the priority for CPN business and stakeholders. CPN presents the implementation progress to the CG-SD Committee and presents results from risk analysis and risk management plan to the Risk Policy Committee and the Risk Management Committee on a quarterly basis.



SUSTAINABLE BUSINESS STRATEGIES

Based on internal and external business factors, trends, and sustainability issues, CPN formulates the following business strategies aiming to sustainably become the region's leading shopping center developer:



Shopping Mall Expansion and Development Innovation

CPN generates growth by expanding new shopping malls, adding economic value to existing malls, and focusing on expanding its customer base to cover Bangkok and vicinity, including major economic cities in provincial areas with potential. To this end, CPN develops mall formats and proper merchandising mixes, applies innovation in design and decoration, and introduces new services to create special and unique experiences to correspond customer needs. CPN determined strategies to expand the business into mixed use development by developing residential projects on the compound of CPN's existing malls, hence creating added value to the land by leveraging on the potential of existing malls, at the same time, the residential projects will create additional customer bases for the shopping malls.



International Business

Besides domestic growth, CPN formulates strategies to expand its business to new markets. It has studied additional investment opportunities in Southeast Asian countries that enjoy stable growth and a high investment volume, with a focus on Malaysia, Indonesia, and Vietnam. CPN received data, personnel, and other support from Central Group, which has investment in these countries, enabling CPN to analyze and develop overseas projects more efficiently. The strategies of overseas investment not only support CPN's growth target, but also diversify the business base by avoiding its sole dependence on the domestic business.



Operational and Service Excellence

CPN focuses on mall management excellence to create competitive advantages. It analyzes information taken from tenants' and customers' remarks in parallel with studying innovation to continuously improve the services and raise the standards of its shopping malls. CPN offers the following diverse unique experiences that satisfy tenants and customers, Thais and foreigners alike:

Unique Selling Point - CPN strives to strengthen its unique selling point in comprehensive merchandising mix, searches for new retail domestic and international brands and holds signature events and activities, in which tenants and communities are welcome to take part. CPN focuses on serving the lifestyles of target customers and increasing quality in every communication channel.

Integrated, convenient and safe one-stop services for all target segments – CPN manages its malls with due regard for environmental friendliness and care for climate change. CPN applies environmentally friendly technologies, reduces both direct and indirect GHG emissions, and values efficient use of public utilities in shopping malls with the application of international utility benchmarking standards.



Flexible Funding

CPN arranges for diverse funding sources to increase flexibility in its operations. In addition to CPN's internal funds, it seeks funding from other sources, including establishment of property fund, loans, and issuance of debentures and public offering for domestic mall expansion. CPN also studied the establishment of a trust fund for investment in Real-Estate Investment Trust (REIT). A large variety of sources of fund enables CPN to efficiently manage

its business costs while having a balanced financial ratio. The Company therefore has flexibility in seeking funds for business expansion and can be well-prepared for new investment opportunities, which always adds value to the business. CPN, in this regard, has in place policies on risk management and financial management that strictly regulate its funding.



Stakeholder Engagement

CPN deeply cares for and respond responsibly to all stakeholders, ready to listen to their feedback to develop a sustainable business under good corporate governance, with the following framework to serve each stakeholder:

- Co-creating opportunities and success with tenants
- Adhering to the customer-centric approach
- Working professionally and fostering pride among employees as part of organization
- Developing into center for communities
- Managing climate change and environmental impacts
- Expanding businesses with suppliers and being socially responsible
- Being a credible and trustworthy organization.



FINANCIAL PERFORMANCE REVIEW

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE OVERVIEW

In 2016, Thai GDP grew at 3.2% from 2.8% in 2015 driven mainly by 1) government measures to accelerate public investment and government expenditure, 2) continual solid growth of the tourism sector in both revenue and the number of tourist arrivals, despite the southern bombing and measures on zero-dollar tours, 3) slowly improving private consumption supported by government packages and higher agricultural prices of selected farm products, and 4) easing monetary policy to support continual economic expansion as the Bank of Thailand has kept the policy rate unchanged at 1.5% for the whole year.

Central Pattana Public Company Limited (“The Company” or “CPN”) continued with business operations as planned. Currently, CPN manages 30 shopping malls with a total of 1.6 mn sqm of net leasable area (NLA). The Company has placed great emphasis on effective revenue generation from new, existing, and improving malls, coupled with efficient operating costs and administrative expense management.

BUSINESS OPERATIONS IN 2016

CPN accomplished its expansion plan with the launch of a new green-field project namely CentralPlaza Nakhon Si Thammarat, the 30th shopping mall of CPN and the renovation of 5 existing shopping malls. Moreover, CPN attempted to boost the revenue growth by effectively utilizing common areas to organize marketing and promotion events and increase on-site media activities. The shopping malls’ performance remained strong with high occupancy rate at an average of 94% with growing rental rate though CPN still support some tenants by giving rental discounts during slow economic recovery.

New malls opened in 2015 and 2016 – Major revenue growth contribution

The four new shopping malls opened in 2015 i.e. CentralPlaza Rayong (May), CentralFestival Phuket (June), CentralPlaza

WestGate (August), and CentralFestival EastVille (November), were major contributors to overall revenue this year with occupancy rate above 95%.

On 28 July 2016, CentralPlaza Nakhon Si Thammarat, the 30th lifestyle shopping complex, was opened to offer a variety of products and services i.e. fashion hub, dining destination, SF Cinema City movie theatres, Fun Planet, “Laan Suk Nakhon” - an activities space, family services including mini playgrounds and features, Market-Market zone - a semi-outdoor lifestyle market, and the first “Co-Working Space” in the South of Thailand. This project received well response from both customers and tenants with an occupancy rate of 87% at the end of 2016.

Asset Enhancement Projects – Continue to create value for shoppers, tenants, and the community to sustain recurring income

CPN had major renovation at 2 shopping malls, including CentralPlaza Pinklao and CentralMarina (previously known as Central Center Pattaya) and minor renovation at CentralPlaza Bangna, CentralFestival Phuket, and CentralPlaza Chaengwattana. The minor renovation includes adding new tenants, changing tenant-mix, re-zoning, enhancing interior and exterior look, and also setting up a new “Food Destination Zone”, which combines food court, restaurants, food kiosks, and supermarket altogether at the same area in order to draw traffic into the shopping mall and become a convenient gathering for customers.

- **CentralPlaza Pinklao**

with major renovation work after 20 years of operation was inaugurated in June 2016 under “The Best is Back” theme, designed as western Bangkok’s premier shopping center in line with this zone’s progress and lifestyles. Sporting new looks both exterior and interior; the shopping complex now boosts additional NLA of 5,500 sqm with 360,000 sqm of the project area, the largest in Thonburi, with a car park accommodating some 4,500 cars. CentralPlaza Pinklao refurbished stores and added new ones along with 200 fashion shops, stores, and restaurants.

- **CentralMarina**

was inaugurated on 19 December 2016 as Pattaya's first theme mall, more modern and stylish than ever after six months of renovation from May 2016. Sporting a "Fisherman Village" theme, CentralMarina strives to attract patrons with the addition of magnets such as a seafood market with chefs personally cooking tasty dishes to order, sports fashion factory outlets, and an outdoor "Market Market", featuring a modern format for small retail entrepreneurs catering to the latest consumers' lifestyles. The target group is Pattaya-based teenagers, workers as well as housewives, and foreign tourists. After renovation, NLA at CentralMarina increased about 2,000 sqm to 17,300 sqm with an occupancy rate of 80% on the opening day and stepped up to 85% at the end of January 2017.

- **CentralPlaza Bangna**

marked its new-look soft opening in December 2016 under "The Best Thing Happens at Bangna" theme after revamping its exterior and interior and adding Central Group's premium brands, fashion stores, and leading restaurants. Not long ago, CentralPlaza Bangna had piloted "Pororo Aquapark" the world-class rooftop water park, "Kidspace" fun-filled area for kids and families, along with "Food Patio" deluxe food kingdom on about 12,000 sqm, with over 80 restaurants and "Food Balcony" premium collection of over 20 top restaurants with many new restaurants such as "Ruen Petch Suki", the renowned traditional sukiyaki restaurant for more than 50 years, or "Sushi Hiro", a popular sushi restaurant.

- **CentralFestival Phuket**

has enhanced the overall atmosphere, decoration, and common areas of the shopping mall. This project will also incorporate with the new "Food Destination Zone", expected to finish by 2Q17.

- **CentralPlaza Chaengwattana**

launched "Food Patio", a new food park, in 4Q16 with a variety of Thai and international foods and desserts such as Royal Dragon Restaurant (Mang Korn Lung), a Thai seafood restaurant, Ganso Sushi, a subsidiary of Sushi Den, Japanese restaurant, Gomango, all desserts made from mango, etc.

- **CentralFestival EastVille**

launched Virgin Active, four-storey modern lifestyle fitness, in 4Q16 with the NLA of approximately 3,700 sqm. This Virgin Active will feature indoor swimming pool and Active Crew, the brand's renowned kids program for 7-15 years old children.

Shopping Mall Operations – Driving organic growth by improving space utilization

The Company focused on marketing communication activities and promotional campaigns, as well as and effectively utilized spaces in shopping malls (i.e. common areas, convention halls, on-site-media, and promotional areas) by continuously rolling out a variety of marketing events. These events include exotic experience offerings, contests, competitions, celebrations, and seminars. The marketing events are aimed to attract customers into regularly visiting shopping malls, which in turn boosted retail sales for tenants.

Additionally, CPN also cooperated with government authorities to promote Small and medium-sized enterprises (SMEs) organized "SME Market Place" to promote their quality products and services in our shopping malls, with the first location starting at CentralPlaza Udonthani. Also, CPN together with Central Group organized "SMEs Think Big", the business matching event to match between SMEs and companies under Central Group.

Well-managed finance cost

CPN was able to lower cost of debt to 3.14% p.a. from 3.33% p.a. in 2015, mainly from the use of various financial instruments suitable with money and capital market environment. Plus, CPN's "AA-" company rating and the existing senior unsecured debenture ratings affirmed by TRIS Rating. The "AA-" ratings reflect the company's leading position in the retail property development industry in Thailand, proven record of managing high-quality shopping centers, reliable cash flows from contract-based rental and service income, and conservative financial policy.

Sustainable growth is key for CPN' business operation

- CPN has been selected as a member of 2016 DJSI (Dow Jones Sustainability Indices Emerging Markets) for a third consecutive year. CPN was the first and only Thai company in the real estate sector to attain such membership, which illustrated its business standard based on corporate governance with due regard for the environment, society, and all stakeholders while being committed to secure, sustainable growth.
- CPN was added to MSCI (Morgan Stanley Capital International) index for the second consecutive year based on a MSCI's sustainability assessment and was chosen to be on the FTSE (Financial Times Stock Exchange) index in the Emerging Markets sector for the first year. This move reflected CPN's commitment and socio-econo-environmental value given to sustainable development based on the sustainability assessment for the real estate industry and international sustainable business.
- CPN has been selected to list in "Thailand Sustainability Investment 2016" announced by the Stock Exchange of Thailand among all listed companies with sustainable business operations, a proof of business conduct marked by corporate governance with due regard for stakeholders. As a result, economic growth is achieved hand in hand with balanced socio-environmental development, and the company can thoroughly disclose its performance outcomes in economic, social, and environmental aspects.

Business expansion toward mixed-use project development

CPN recognizes the potential of mixed-use project, so CPN plans to develop shopping mall, residential project, office, and hotel in one complex. This will be an optimal support of its core shopping-complex business as well as value added to the company.

In January 2016, CPN launched condominium business under the brand of "ESCENT" and started the presales for three condominiums, adjacent to the Chiangmai, Khonkaen, and Rayong shopping mall. The project value of three projects is approximately THB 3 bn. CPN achieved 100% take-up for all three projects

because of the prime location next to CPN's shopping malls and the design that match with customers' lifestyle. All are under construction and expected to complete and ready to transfer in 2018.

2016 BUSINESS PERFORMANCE

CPN reported its FY2016 consolidated net profit of THB 9,244 mn, increased by 17% YoY with total revenues of THB 29,234 mn, grew by 13% YoY. Without the non-recurring items in 1Q15, FY2016 consolidated net profit would have grown by 19% YoY and total revenues would have increased by 14% YoY.

Note that a non-recurring item in the 1Q15 included a THB 134 mn income from reversals of provisions for impairments of land at Khonkaen province incorporated under other income. (See notes to the financial statements for three-month period ended 31 March 2015, Item 10)

The growth in revenue and net profit was mainly driven by

- Improved performance of existing projects especially at CentralPlaza Hatyai, and other projects such as CentralWorld, CentralPlaza Salaya, CentralFestival Samui, and CentralPlaza Udonthani, etc.
- The full-year operation in 2016 of four new projects launched in 2015
- Contributions from a new project launched in 2016
- Higher revenues from renovated projects i.e. CentralPlaza Pinklao and CentralMarina
- Continuing growth in hotel business, from great performance of both Hilton Pattaya Hotel and Centara Hotel & Convention Centre Udonthani
- Emphasizing on efficient cost and expense management continuously including pooled procurement program in terms of supply and marketing campaigns for all shopping malls under CPN's management to achieve economy of scale

As of December 31, 2016, CPN managed 30 shopping centers (13 projects in Bangkok and 17 projects in the provinces), 26 Food courts, 7 office towers, and 1 residential property (totaling 11 units). These include the properties which had been

transferred to CPN Retail Growth Leasehold Property Fund (“CPNRF”) and CPN Commercial Growth Leasehold Property Fund (“CPNCG”), of which CPN acts as the property manager. In addition, CPN owned 2 hotel properties (totaling 561 guest rooms), but outsourced their managements.

At the end of 4Q16, the occupancy rate for CPN's retail properties remained high at an average of 94%, slightly higher from 93% in 3Q16 from the re-launch of CentralMarina after a major renovation with a high occupancy rate at 80% on the opening day.

Table 1: Operational Statistics

Retail properties	No. of Projects	Net leaseable area (sqm)	Occupancy Rate (%)	
			as at 31 Dec 15	as at 31 Dec 16
CPN in BMA	13	896,793	93%	94%
CPN in Provinces	17	712,795	95%	94%
Total	30	1,609,588	94%	94%

Non-core Properties	No. of Projects	Net leaseable area (sqm)	Occupancy Rate (%)	
			as at 31 Dec 15	as at 31 Dec 16
Office	7	170,487	98%	97%
Residential	1	1,567	30%	21%
Hotel *	2	561 rooms	76%	83%

* Occupancy rate of Hotel Business was an average of occupancy rate in the last quarter.

2016 FINANCIAL PERFORMANCE

Total Revenues

Revenues from rent and services

FY2016 consolidated revenues from rent and services increased by 14% YoY to THB 25,247 mn, confirming a well-diversified portfolio despite the decrease in revenues from CentralMarina and CentralPlaza Chaengwattana during a renovation. The increase in revenue was primarily due to

- Full-year contributions in 2016 from four new projects launched in 2015 i.e. CentralPlaza Rayong, CentralFestival Phuket, CentralPlaza WestGate, and CentralFestival EastVille
- Contributions from a new project launched in 2016 i.e. CentralPlaza Nakhon Si Thammarat
- Full-year contribution from CentralPlaza Pinklao after a major renovation and gradually opened since December 2015
- FY2016, the average rental rate of all retail properties were THB 1,559 per sqm/month. Excluding new malls launched in 2015 and 2016 i.e. CentralPlaza Rayong, CentralFestival Phuket, CentralPlaza WestGate, CentralFestival EastVille, CentralPlaza Nakhon Si Thammarat, and asset enhancement projects i.e. CentralPlaza Pinklao, CentralMarina, and CentralPlaza Chaengwattana, the same store average rental rate of other retail properties grew by 3.3% YoY from THB 1,523 per

sqm/month to THB 1,573 per sqm/month. The same store rental rate growth was in line with the company's full year guideline, nevertheless, lower than the company's long-term target of 5% same store rental growth due to temporary discounts given to assist tenants at some shopping malls during a slow-recovery economy. However, the rental rate growth of new and renewed contracts was still maintained at 5% on average per year.

Revenues from food and beverage

FY2016, the in-mall food court business posted a 30% YoY sales growth to THB 1,389 mn. The increase was mainly attributed to the new food courts launched in 2015 and 2016, the new food court at CentralMarina, and the new food courts in the renovated projects i.e. CentralPlaza Pinklao and CentralPlaza Bangna, coupled with an impressive sales growth at CentralFestival Chiangmai, CentralFestival Pattaya Beach, CentralFestival Samui, CentralPlaza Salaya, and CentralPlaza Ubonratchathani. Same store revenues from food and beverage increased impressively at 14% YoY.

Revenues from hotel operations

Hotel operations are considered CPN's non-core businesses. FY2016, hotel operations reported a 1% YoY revenue growth to THB 998 mn, thanks to strong performance of Hilton Pattaya Hotel and Centara Hotel & Convention Centre Udonthani. Hilton Pattaya Hotel maintained high occupancy rate at 89%, stabled from 2015, with an increase in room rate even there are some impact from the cancellation of many entertaining events in Pattaya during mourning period in 4Q16, which is the peak period of hotel business. Centara Hotel & Convention Centre Udonthani also maintain strong performance with increased room rate and average occupancy rate of 75% from 61% in 2015, primarily from government meetings and seminars as well as higher number of customers booked via website.

Total Costs

Costs of rent and services

Costs of rent and services constituted utilities, security & cleaning services, on-site personnel, land rental, depreciation & amortization, repair & maintenance costs and insurance premium and property tax of properties owned to earn rentals.

FY2016, costs of rental and services increased by 10% YoY to THB 12,630 mn. The increase in cost of rental and services was lower than the increase in revenues from rent and services because of the effectiveness of utility cost management. The rise of costs of rental and services was primarily due to compounding effects of the following factors:

- Full-year realization of operating costs and depreciation of the new projects launched in 2015.
- Additional operating costs and depreciation of the new projects launched in 2016.
- Increased repair and maintenance costs and personnel expenses in general.

On a same-store basis, utility cost, a major component (about 30%) of cost of rent and services for shopping mall operation, decreased 8% YoY, reflected the effectiveness of the continuing energy conservation measures.

Costs of food and beverage

Costs of food and beverage constituted costs of operating in-mall food centers, as well as depreciation and repair & maintenance costs of food center equipment and furniture, and decoration costs.

Likewise, FY2016 costs of food and beverage increased by 27% YoY to THB 1,086 mn, stemmed primarily from new food courts launched in 2015 and 2016 as previously mentioned.

Costs of hotel operations

FY2016 costs of hotel operations posted THB 325 mn, down 2% YoY from lower cost of food and beverage (F&B) which was in line with the lower revenue of F&B and lower personnel expense from vacant positions.

Administrative Expenses

Total administrative expenses constituted expenses on personnel, marketing & promotion, office supplies, professional fees, and depreciation and amortization of office equipment and hotel properties.

FY2016, total administrative expenses amounted to THB 4,406 mn, up 9% YoY due primarily to additional personnel expense arising from business expansion, higher depreciation operating expenses at new shopping malls in 2015 and 2016, and marketing & promotion expenses for newly launch malls and the re-launch of renovated malls i.e. CentralPlaza Nakhon Si Thammarat, CentralMarina, and CentralPlaza Bangna. However, the ratio of administrative expenses to total revenues was lower to 15% from 16% in 2015.

Gross Profit Ratio & Operating Profit Ratio

FY2016, Gross Profit ratio (excluding other income) was higher to 49.2% from 48.0% in 2015. The increase can be attributed to effective cost management, reflected in costs rising at a significantly slower pace than revenues, especially the solid growth of both revenues from rent and services and revenues from food and beverage with double digit growth. Also cost of hotel operations reduced while revenue increased. The Operating Profit ratio this year increased to 37.0% from 35.3% in 2015 due to effective costs and expenses management shown by the lower administrative expenses to total revenues ratio mentioned earlier.

Net Profit

FY2016 CPN reported consolidated net profit increased 17% YoY to THB 9,244 mn. Excluding non-recurring items in 2015, net profit grew by 19% YoY. The growth was attributable to the following factors:

- Improved performance of existing malls with outstanding net profit growth, especially at CentralFestival Hatyai, which had 3 times higher in YoY net profit growth. Other shopping malls with a double-digit growth in net profit such as at CentralWorld, CentralPlaza Salaya, CentralFestival Samui, and CentralPlaza Udonthani, etc.
- The full-year contribution of four new projects launched in 2015.
- Continuing growth in hotel business, both at Hilton Pattaya Hotel and Centara Hotel & Convention Centre Udonthani.
- Continuing efficient cost and expense management as well as the economy of scale. CPN has continuously conducted on a number of implementations to reduce costs and expenses, reflecting in costs rising at a significantly slower pace than revenues, especially utility costs. FY2016, the utility cost was up only 1% YoY (same-store utility cost was even down 8% YoY) and administrative expenses increased only 9% YoY. As a result, CPN can sustain margins at high level even the company keep expanding the portfolio.

Overall, CPN managed to report the net profit growth impressively with the higher than the YoY revenue growth.

Table 2: Consolidated Results Summary

Consolidated Earnings (THB mn)	FY 2015	FY 2016	% Change YoY
Revenue from rent and services	22,231	25,247	14%
Retail	21,584	24,579	14%
Office	638	667	5%
Other supportive businesses	10	1	(89%)
Revenue from hotel operations	983	998	1%
Revenue from hotel and beverage	1,068	1,389	30%
Other income	1,565	1,600	2%
Total revenues	25,847	29,234	13%
Total revenues excluding non-recurring items	25,713	29,234	14%
Cost of rent and service	11,450	12,630	10%
Retail	11,158	12,349	11%
Office	280	279	(0%)
Other supportive businesses	12	1	(90%)
Cost of hotel operation	332	325	(2%)
Cost of food and beverage	852	1,086	27%
Total costs	12,634	14,041	11%
Operating profit	9,208	10,814	17%
Operating profit excluding non-recurring items	9,074	10,814	19%
Net profit	7,880	9,244	17%
Net profit excluding non-recurring items	7,746	9,244	19%
EPS (Bt)	1.76	2.06	17%
EPS (Bt) excluding non-recurring items	1.73	2.06	19%
Gross Profit Margin (excl. other income)	48%	49%	1%
Operating Profit Margin (excl. non-recurring item)	35%	37%	2%

NEW DEVELOPMENT

Under its 5-year plan (2017-2021), CPN aims to increase its revenues at a compound annual growth rate (CAGR) of 14-15% per annum through 2-3 new projects a year, asset enhancement to add value to existing malls, regular rental increase, and operational improvement.

In light of Thailand's urbanization, CPN will expand its business in Bangkok & vicinities, as well as the provinces. CPN, moreover, looks out for opportunities to offer new formats and concept of retail business including innovative designs and decorations to reinforce its eye-catching appearances, which would provide fresh and unique experiences that can respond to local customers and foreign visitors' changing lifestyles.

In addition, CPN has conducted additional studies on opportunities for investments in Southeast Asia, focusing on countries with good investments and growth potential i.e. Malaysia, Vietnam, and Indonesia, with an aim to ensure future growth of business with stability and sustainability.

Retail Property Development

Domestic Expansion

Currently, CPN's three new projects are under construction, namely CentralPlaza Nakhon Ratchasima (northeast), CentralPlaza Mahachai (Suburban BKK), and CentralPhuket (south), which are scheduled to open in 2017. Additionally, there are four existing projects under renovation, namely CentralWorld, CentralFestival Phuket, CentralPlaza Chiangmai Airport, and CentralPlaza Rama 2. CentralPlaza Rama 3 is planned to start renovation in 2Q17. In 2017, additional NLA of around 0.16 mn sqm will make up to total NLA of 1.76 mn sqm.

Overseas Expansion

At this stage, CPN has participated in Malaysia's Central i-City project as its pioneering shopping complex abroad, since CPN envisions retail commerce there to be blessed with opportunities and growth potential. This project is developed by the joint venture, in which CPN through subsidiaries holds a sixty-percent (60%) stake and I-R&D Sdn. Bhd. ("IRD"), an I-Berhad wholly-owned subsidiary, holds a forty-percent (40%) stake. The investment was a RM 830 mn (or approximately THB 8,300 mn). This project is under construction and scheduled to launch in 2018. CPN has secured key anchor tenants including department store, supermarket, and cinema. Retail tenants are now under negotiation.

Residential Property Development

Recognizing the potential of mixed-use development of shopping complex projects, CPN plans to utilize existing vacant land plots next to existing shopping malls that is still available for other related businesses development including residential projects. This will be an optimal support of its core shopping-complex business as well as value added to the company.

Presently, three condominiums, adjacent to the Chiangmai, Khonkaen, and Rayong shopping mall, are under construction and expected to be completed in 1H18. Presales have started since January 2016 and CPN achieved 100% take-up for all three projects at the end of October 2016.

CPN plans to launch about three new residential projects per year. Revenue from residential projects will contribute to CPN top-line approximately 5-7% from 2018.

Table 3: New developments

	Location	Project	Progress	Completion	Net Leaseable Area (sqm)
Domestic	Greater Bangkok	CentralPlaza Mahachai	Under Construction	Nov - 17	28,850
	Provinces	CentralPlaza Nakhon Ratchasima	Under Construction	Sep - 17	56,000
		CentralPhuket	Under Construction	Dec - 17	63,000
Overseas	Selangor, Malaysia	Central i-City	Under Construction	Oct - 18	89,700

	Location	Project	Progress	Completion	Type	Presales
Domestic	Provinces	ESCENT Chiangmai	Under Construction	1H2018	26-storey Condominium, 400 units	100%
		ESCENT Khonkaen	Under Construction	1H2018	24-storey Condominium, 408 units	100%
		ESCENT Rayong	Under Construction	1H2018	25-storey Condominium, 419 units	100%

CAPITAL STRUCTURE

Total CAPEX for FY2016 was approximately THB 9,191 mn, comprising THB 2,733 mn asset enhancement projects, THB 6,458 mn new developments and land acquisitions.

During 2016, CPN raised new debts of approximately THB 800 mn, comprising THB 300 mn short-term borrowings and THB 500 mn long-term borrowings and repaid unsecured bonds, and short term and long term loans totaling THB 5,519 mn during the period.

As of December 31, 2016, outstanding interest-bearing debts were THB 17,904 mn, comprising 72% fixed and 28% floating interest rate decreased by 21% YoY and decreased by 9% QoQ due to scheduled debt repayment. Net interest-bearing debt to equity ratio stood at 0.28 times, considerably decreased from 0.33 times in 3Q16 and decreased from 0.39 times previous year due to lower interest rate and increasing of retained earnings.

In 2016, finance costs amounted to THB 633 mn, increased by 25% YoY. A weighted average cost of debt in 2016 was 3.14% per annum, down from 3.33% in 2015.

DIVIDEND PAYOUT

CPN's Board of Directors has proposed Baht 0.83 per share (THB 3,725 mn) dividend to be paid for the FY2016 performance, comparing to Baht 0.70 per share (THB 3,142 mn) in 2015, pending the approval at the shareholders' meeting in April 2017. The dividend payment represents a 40.3% dividend payout ratio of the FY2016 net profit.

Table 4: Financial Position

Financial Position (THB Mn)	31 Dec 2015	31 Dec 2016	% Change YoY
Current assets			
Cash and current investment	4,326	3,204	(26%)
Other current assets	2,811	3,455	23%
Total current assets	7,137	6,659	(7%)
Non-current assets			
Investment properties ¹⁾	74,796	76,700	3%
Leasehold rights	11,644	10,647	(9%)
Property & equipment (PP&E)	1,939	1,797	(7%)
Other non-current assets	7,528	8,724	16%
Total non-current assets	95,908	97,868	2%
Total assets	103,045	104,527	1%
Current liabilities	15,530	14,878	(4%)
Non-current liabilities	40,714	36,644	(10%)
Total liabilities	56,244	51,523	(8%)
Total equity	46,801	53,005	13%

Note: ¹⁾ Investment Properties are booked at cost and depreciated with the straight-line basis over the life of the assets. The estimated fair value is 167,688 MB (157,100 MB in December 2015), stated in the disclosure notes to the main financial statements no. 12 under "Investment Properties".

SUSTAINABILITY PERFORMANCE REVIEW

CPN implements sustainable development concept with the intention to “Creating shared value for stakeholders and society as a whole”. To serve each stakeholder, CPN defined 10 SD missions, with strategic plans, goals, operational plans, and responsible units that present the work progress. CPN also assigns CPN executives as SD Champions who promote, support, and drive missions toward goals. Performance must be reported quarterly to the CG-SD Committee, with the sustainability framework as below:

Stakeholder	Sustainability Framework	SD Mission	Reported on Page
Tenants	Co-creating opportunities and success with tenants	1. Developing potential entrepreneurs 2. Strengthening tenant’s competitive advantages	84-87
Customers	Adhering to the customer-centric approach	3. Creating a place of inspiration 4. Delivering exceptional products and services while providing safety and convenience	88-92
Employees	Working professionally and creating pride as part of the organization	5. Offering career advancement and opportunities 6. Engaging employees and enhancing wellbeing	93-99
Society, community, and environment	Developing into center for communities Managing the climate change and environmental impacts	7. Co-creating social and community values	100-103
		8. Managing societal and environmental impacts efficiently and effectively	104-112
Suppliers	Expanding business with suppliers and being socially responsible	9. Encouraging responsible supply chain	113-116
Stakeholders	Being a credible and trustworthy organization	10. Acting on good governance and transparency	117



CO-CREATING OPPORTUNITIES AND SUCCESS WITH TENANTS

CPN is aware of its key role as the tenants' distribution channel, one of their key success factors. Serving as an infrastructure for entrepreneurs, CPN uses a strong network of shopping malls located in prime locations, Bangkok and provincial areas in all regions of Thailand, together with overseas malls in the development process. This network is combined with business expertise and customer insight. As a result, entrepreneurs, ranging from small-sized entrepreneurs interested in the retail business, local entrepreneurs, community enterprises, and listed companies to entrepreneurs of global brands interested in operating in Thailand-they all can build their brands and customer bases and effectively expand their businesses.

MANAGEMENT APPROACH

Partnership by co-creating business opportunities and success has been long-practiced approach of CPN since its establishment. That is because the continued success of tenant shops leads to CPN's performance.

CPN therefore determined the management approaches as below:

Seeking and Developing Potential Entrepreneurs

CPN sets a process to seek new potential entrepreneurs. In a proactive way, it looks for entrepreneurs whose products and services fulfill customer needs and are aligned with the malls' operational strategies. Reactively, CPN supports entrepreneurs who extend their desire to open shops in CPN's malls while discussing with them on expectations and long-term business plans. Subsequently, co-developing shop-opening schedule by business category and rental venue as seen appropriate, CPN will co-create business expansion plans and marketing plans with the entrepreneurs.

Tenant Relations Management and Tenant Engagement

Since CPN deals with various entrepreneurs, ranging from small entrepreneurs, local entrepreneurs, startup, public limited companies to foreign companies, relations management and engagement development varies with customer needs. CPN and entrepreneurs must co-create business strategies to increase shops' successes at CPN's shopping malls. For branch operations, CPN daily provides services, solutions, and support for tenant shops at each branch.

Satisfaction Survey and Tenants' Feedback

CPN regularly surveys tenants' satisfaction to promptly serve their needs, improve relations with them, and use the findings as fundamental information to formulate its strategic plans. The survey is conducted at two levels:

- Branch level - The survey is conducted immediately after service and the evaluation is conducted quarterly in tenant meetings.

- Corporate level – Annual quantitative research is conducted by external experts who use random sampling to study and evaluate tenants’ satisfaction with CPN service and marketing activities throughout the year all year round.

Furthermore, CPN periodically conducts Tenant Health Analysis throughout the year, sets mechanisms to listen to comments and recommendations, and encourages tenants’ participation (as shown in Table on page 66-69). This information, together with the results of satisfaction surveys, will be analyzed to further improve and develop proper support programs for tenants so that CPN and tenants can achieve success together.

"Recognizing the importance of tenant satisfaction survey, CPN applies the annual assessment outcomes to determine and develop annual strategies.

CPN also includes tenant satisfaction scores as a corporate KPI and specifies relevant indicators to be aligned with the work of each unit in charge."

ROLES AND RESPONSIBILITIES

The Senior Executive Vice President of Operations supports and promotes the co-creation of business opportunities and success with tenants. The Executive Vice President of Leasing and the Executive Vice President of Marketing seek entrepreneurs and manage good relations with tenants, including helping them grow and succeed in doing business with CPN.

The Executive Vice President of Operations is in charge of branch operations, namely tenant service, relations management, and satisfaction surveys, which are cascaded down to the Regional General Manager and the General Manager of each branch.

PERFORMANCE OUTCOMES

SME SD Mission 1: **Developing Potential Entrepreneurs**

In 2016, CPN followed SD missions and served governmental policies of Public-Private Collaboration, focusing on offering an opportunity and develop Small and Medium Enterprises (SMEs):

1.1 Seeking new entrepreneurs

- Proactively seeking new entrepreneurs and offering a variety of lease areas to fulfill SMEs’ wish to conduct businesses with CPN. For example, CPN allocated small leasable areas surrounding the shopping malls, piloted at CentralPlaza Rayong.
- Adding Call Center +66 (0) 2021 9999 as another channel to facilitate entrepreneurs who are interested in doing business with CPN, inquiring about basic information such as vacant leasable areas, shop-opening process, and business appointment.
- Hosting “SMEs Think Big” on August 8, 2016, at Muangthai GMM Livehouse at CentralWorld. This activity, in compliance with the policy of Public-Private Collaboration, supported Thai SMEs to practically expand businesses via modern retail channels. In total, 1,200 entrepreneurs and prospects attended the event, which promoted business matchmaking with over 300 entrepreneurs interested in opening shops and selling their products or services with CPN and the Central Group.

1.2 Providing Venue for New Entrepreneurs

- In SME Market Place by Public-Private Collaboration, CPN joined hands with the Federation of Thai Industries, Thai Chamber of Commerce, and Department of Business Development in offering SMEs a chance to sell their products at the fair on trial. CPN provided booths for prospective community enterprises and local SMEs so that they could learn and improve distribution channels. Moreover, they could increase sales opportunities in new markets across the region and in neighboring countries because the event was organized in the provinces with a border next to prospective neighboring countries such as Udon Thani, Ubon Ratchathani, Chiang Rai, Songkhla, and Rayong. More than 1,100 entrepreneurs joined this event.



SD mission 2: Strengthening Tenant's Competitive Advantages

Under intense competition and rapid changes in consumer behavior, tenants need to enhance their competitiveness at all times. CPN implemented various different efforts to support their business operations as following:

2.1 Promoting Sales and Marketing

CPN continually carried out diverse marketing campaigns to attract target customers to shopping malls and improve their sales opportunities. Furthermore, CPN provided marketing tools in the form of PR materials and sales promotion programs as necessary and appropriate to each individual tenant, for example:

- Offering the “Exclusive Campaign ONLY@CPN” program, which closely involved information sharing, as well as joint research, analysis and development of special merchandises available only at stores in CPN's shopping malls, resulting in tenants' increased sales and new choices of merchandises for customers.
- Developing and implementing tailor-made campaigns for shopping mall branches where problems are identified.

2.2 Promoting Store Display Design

Realizing that store display design is a key factor in differentiation over competitors to attract customers to buy products and services, CPN set up a unit dedicated to providing advice on store display design for tenants with the following support:

- Developing a manual and requirements for store decoration and display to facilitate stores, especially stores owned by new small-sized entrepreneurs that have inadequate experience and have no R&D unit working on this area.

- Jointly conducting store display design, analysis and evaluation, as well as providing advice for retail food shops at CPN's Food Park.
- Organizing annual workshops to provide store display knowledge and information for entrepreneurs and contractors, grouped by store category and characteristic.

2.3 Promoting Knowledge

Every year, CPN provides seminars that enhance tenants' knowledge and competitiveness, topics and contents of which are derived from discussions and focus groups with specific tenant groups. In 2016, four seminars were provided.

- Seminar entitled “Start Business, Overcome Crisis, and Win Billions,” which was organized 3 times for tenants in the northern, northeastern, and southern region, with 1,400 participants.
- Seminar entitled “Formula for Big-Income Business” and “Secret for Life Change for SMEs” in “SMEs Think Big” #Think Big, Go Far,” which was held for tenants in the Central Region - This was attended by 1,200 tenants, representing 30% of all tenants in the region.

Moreover, CPN initiated the “CPN Leading Entrepreneur Advanced Development” project, which aims to enhance existing and potential tenants' knowledge through workshops. The findings from surveys on their needs and real problems are involved in the course development, which entail key issues in the retail business. This project focuses on practices and learning from individuals with first-hand experience to ensure participants' practical and effective application to business development and expansion. It is in the process of preparation and will be implemented within 2017.

Topics	2016 Performance Outcomes	2017 Plans
Building business opportunities	<ul style="list-style-type: none"> Implemented strategic new customer plans, with success exceeding the target. 	<ul style="list-style-type: none"> Allow new entrepreneurs who have no store in any CPN shopping mall to join the CPN Leading Entrepreneur Advanced Development Project, representing more than 40% of all participants.
Relationship management	<ul style="list-style-type: none"> Implemented SD Missions 1 and 2, whereby tenant satisfaction served as the organizational indicator. A survey revealed that the tenant satisfaction increased from the previous year but did not reach the target. Implemented strategic sales promotion plans by conducting 152 activities under the program “Exclusive Campaign ONLY@ CPN,” which resulted in 20-35% increase in tenant’s sales during the event. Completed tenant potential development plans under the CPN Leading Entrepreneur Advanced Development project, which will be ready to be implemented by Q1 of 2017. 	<ul style="list-style-type: none"> Set a target of tenant satisfaction index at the same as 2016’s, as in par with leading companies. Implement strategic rental optimization plans and increase plans for promoting and forging tenant relations. Implement strategic sales promotion plans to gain recognition of at least 10% of all marketing campaign activities. Encourage tenants to open new markets and improve the variety of stores within shopping malls.



ADHERING TO CUSTOMER-CENTRIC APPROACH

The customer-centric approach is the heart of sustainable shopping mall design, development, and management. It is essential to understand, tailor things to customers' needs, create impressive experiences for them, and enhance customer engagement as the third place to be, next to home and office.

MANAGEMENT APPROACH

Customer-centric management is a key principle to all stages of work, which involves the processes of listening and creating participation (See Table on page 66-69). Major steps included in such management consist of:

Customer Needs Research

Pre-construction customer needs research is divided into two forms:

- Statistical research - Analyzing basic demographic data and other relevant basic data in projects' surrounding areas.
- Qualitative & quantitative research on target groups - Qualitative research through focus groups to gain customer insights and quantitative research through questionnaires to learn customers' shopping behavior, attitudes, and needs.

Favorite Shopping Mall Design and Development

CPN applies customer needs research findings in conjunction with concepts from a trend study to shopping mall design, space layouts and compositions, as well as layouts and proportions of stores, facilities, and services to create beyond-expectation experiences.

Service Satisfaction Surveys

After the launch of shopping malls, CPN monitors performance to compare against plans as well as conducting customer satisfaction and customer experience surveys, conducted by external experts:

- Nationwide Campaign Survey - Assessing customers' satisfaction with marketing campaigns, the Nationwide Campaign Survey aims to develop future marketing campaigns that meet their needs and develop into customer relationship management (CRM).
- Customer Satisfaction Survey - This survey aims to assess customers' satisfaction based on their experience in using services at shopping malls.
- Focus Group - To study and analyze key issues of shopping malls, a focus group is exclusively conducted in shopping mall branches identified in strategic organizational plans.

Service and Shopping Mall Improvement

CPN uses findings of customer experience and satisfaction survey to formulate strategies and plans and to improve shopping malls, models and merchandise mix, customer services, and tenant services. It aims to improve customer satisfaction, forge customer engagement, and access new target customers.

"CPN uses 'customer satisfaction scores' as a corporate KPI and defines suitable corresponding indicators cascaded down to relevant functions to ensure that the customer-centric concept translates into practice at all levels of the organization."

ROLES AND RESPONSIBILITIES

The Senior Executive Vice President of Business Development and Project Construction and the Senior Executive Vice President of Operations are responsible for customer insights prior to shopping mall construction and renovation. The research units from both business groups are directly in charge of conducting research and forwarding information to relevant business groups, i.e. Business Development, Leasing, and Marketing and Asset Management, for the analysis and development of shopping malls, services, and marketing strategies.

The Senior Executive Vice President of Operations is responsible for creating beyond-expectation customer experiences when projects are operational. The Senior Executive Vice President defines processes and formulates plans for developing both CPN's and suppliers' staff members who directly interact with customers to offer excellent services based on the organizational vision. The performance outcomes are to be regularly reported to the Management Committee.



PERFORMANCE OUTCOMES



SD mission 3:
Creating a Preferred Mall of Choice and a Place of Inspiration

CPN focuses on developing novel styles of shopping malls that integrate innovative design, decoration, and service area allocation. It also develops communication that reaches and gains recognition from target customers.

3.1 Creating Unique Shopping Malls

In terms of identity revamp for the brand "CentralFestival," findings from customer needs survey in conjunction with a study of popular models or characteristics were used for shopping mall design and development. This was piloted in CentralFestival EastVille, which was developed under the concept of "Bangkok Escape". It used psychographic principles that project complex, delicate lifestyles to serve target customers - new-generation individuals who have discerning taste and want a place to escape from the hustle and bustle outside. The relaxing or inspiring atmosphere will make shoppers feel like they are on a trip or vacation, or find inspiration.



Health

The "Sky Run" with a length of 300 m, on the rooftop of CentralFestival EastVille is available for free. A Bike Zone is dedicated to biking, and Bike Café selling bicycles and accessories.

Pet lovers, especially singles or childfree married couples

"Pet Park" zone is a space designed for customers to take their pets for a walk. A variety of services are provided, including pet grooming, selling animal feed, veterinary clinics, pet care centers, and trolleys exclusive for pets.



Natural lifestyles

This lifestyle shopping complex combines seamlessly indoor and outdoor areas. Its exterior design has a nature-inspired shape that looks like layers of leaves. Shoppers will feel like standing under large tree. The interior is decorated with colorful trees and plants, with diverse forms of seats scattered around. It is also decorated with fauna sculptures to please customers and serve as a photo spot.

Idea-sharing and inspiring space

“Think Space B2S” a novel-style bookstore on an area over 3,000 sq.m. With two floors, the chic designed store offers lifestyle products and books from all over the world. It is connected to tutorial schools for children, art/idea exhibition space, working space, meeting space, and co-working space where people can relax and drink coffee.



3.2 Developing New Zones

- The Market-Market Zone, located outside the shopping mall building, follows the popular trend of bazaars. It is dedicated to a variety of products, including food and fashion items, at valued prices. This zone is now available at CentralPlaza Rayong, CentralPlaza Nakhon Si Thammarat, and CentralMarina.
- Trendy, new-style food zones are offered to serve the family’s eating-out trends and young office workers’ hangout trends such as Food Ville at CentralFestival EastVille and Food Patio at CentralPlaza Bangna. It consists of a variety of restaurants, including take-home restaurants and supermarkets located in the same area.
- The Playground Zone, developed under the playground design concept, is available at CentralFestival EastVille. This zone offers fine sand for young children to play on, which will help with their creativity and muscle development. Spider webs are provided for older children to climb instead of real trees. At Giant Giraffe and Wise Garden in CentralPlaza WestGate, children can enjoy a playground in the bird nest. At the same time, parents can relax while closely looking after their children. In the Education Zone and Fun Planet, rubber is creatively converted with into playground equipment at CentralPlaza Nakhon Si Thammarat.

3.3 Offering Perspectives and Inspiration via PR Materials

- Focusing on communicating relevant contents for specific lifestyles. Through online channels and social networks, CPN clearly approaches the target segment by analyzing the target group of each marketing campaign. Only online media that best match the target groups will be selected so as to maximize effectiveness.
- Developing a marketing mascot to reach the target groups. For example, “Uncle Happy from the Happy City” was inspired by Kaew Kop, a shadow puppet character from southern Thailand. “Uncle Happy” was designed to be a fun-loving, kind, and friendly cartoon character who loves to share happiness. His dream is to see everyone happy, which meets the concept “Happy City” of CentralPlaza Nakhon Si Thammarat. Apart from being inspiring, this icon passes on good local culture.



SD Mission 4: Delivering Exceptional Products and Services While Providing Safety and Convenience

CPN is committed to upgrading service and safety standards by adopting management systems based on international practices, innovation, and human resource development to increase efficiency in every point of service.

4.1 Development of Professional Service Standards

CPN systematically and continuously develops shopping mall management to increase value and efficiency in shopping mall operation. The Company applies organization management systems in accordance with the criteria of the Malcolm Baldrige National Quality Award and the Thailand Quality Award in the organization's context. It also developed the Standard Mall Handbook, determining procedural standards in management, cross-checks, filing information and issues that come across for improvement and development at the corporate level.

Moreover, CPN extends its development of service standards to business partners such as cleaning and security staff via the Outsource Development Program by providing training for suppliers so that they may meet CPN's expectations on service standards. The Company also puts in place a staff-grading checklist system, the tool to assess the ability of business partners' staff to provide services in the aspect of 1) personality 2) knowledge of working responsibilities and 3) nature of service. Theoretical and practical tests based on real work are conducted at least every two months. The objective includes the opportunity for business partners' staff to develop themselves and maintain the standards stipulated by CPN.

4.2 Application of Quality System Based on International Standards

CPN adopts the ISO 9001 international certification in parallel with the standards developed by CPN to manage and provide services to tenants and customers to align the policies and work procedures related to tenants and customers with the same standards in all shopping centers. In 2016, the total of 26 shopping centers were ISO 9001-certified.

Moreover, CPN applies the ISO 20121 certification or the Event Sustainability Management System, focusing on management based on transparency, fairness, legal practices and related stipulations, security, and waste management to the management of its multi-purpose functional halls. In 2016, CPN applied for the ISO 20121 certification for Chiangmai Hall in CentralPlaza Chiang Mai Airport. It was the first functional hall to be ISO 20121-certified in Thailand.

4.3 Offer of New Services to Meet the Customers' Needs

CPN is committed to innovating services taking into account customers' needs. One of the target groups which CPN highly focuses on is the modern family group. CPN improves services to cater to all members of the family as follows:

Kids' restroom space is separated from adults', equipped with kid-sized equipment and sanitaryware, and can be used by both boys and girls. Not only are the children confident and proud to use restrooms by themselves but their parents can also see from the outside, as there is no wall and they can come to the rescue of small children without embarrassment.

- Kiddy Car to provide convenience for parents and fun for their children as the children can control the direction of the car themselves.
- Happy Train to provide pleasure for small children and their parents to enjoy the atmosphere around shopping centers.
- Wheelchairs for those who need them such as the elderly and pregnant women as well as elevators and ramps to accommodate the use of wheelchairs.

Apart from meeting the family group's needs, CPN also focuses on meeting the requirements of the lifestyles of the new generation such as providing free WiFi services for customers, points for charging mobile phones, rest area with plug outlets for charging computers, etc.

4.4 Use of Advanced Equipment and Technology for Safety and Facilitation Management

CPN devises policy and measures on security and facilitation for customers in accordance with the occupational health and safety standards (OHAS 18001) and conducts an additional study to lay down the system in accordance with the draft of the occupational health and safety standards in the workplace (ISO 45001). (Details of policy and operational guideline on occupational health and safety are at www.cpn.co.th/sustainability: social dimension).

To this end, CPN expands on the policy by applying advanced equipment and technology to management where appropriate such as installation of 6,634 units of CCTVs in shopping centers, installation of Intelligent Parking in 9 branches whose parking volume are dense, use of Real-time Traffic Management on Mobile to enable building managers to analyze and follow up on the internal traffic and the traffic around shopping centers in real time, as well as their ability to modify internal traffic. The system has been experimented at some shopping centers.

Topics	2016 Performance Outcomes	2017 Plans
Customer engagement	<ul style="list-style-type: none"> Implemented SD Missions 3 and 4 by which the index of customers' satisfaction was slightly lower than the target. Underwent major renovation of two shopping centers i.e. CentralPlaza Pinklao and Central Marina as planned. Increased communication channels according to the work plan to meet customers' demands in the modern age via social online with over 2.2 million followers of the webpage and over 300,000 followers of the website. 	<ul style="list-style-type: none"> Set target for customers' satisfactory score at the same as 2016's, as in par with leading companies. Implement the work plan to construct three new shopping centers and renovate five shopping centers. Extend online marketing communication channels by adding the "CPN Life" channel via Mobile Application and Interactive Kiosk to increase communication potential and offers that meet better customers' requirements. Modify marketing channel strategy by increasing online communication by 40% and other channels of marketing communication by 60%.
Management	<ul style="list-style-type: none"> Invested in new services to meet customers' needs in the amount of Baht 29.2 million. Announced the use of Standard Mall Handbook and in a trial process in all shopping centers. Operated and completed the Outsource Development Program covering 100% of all suppliers (individual counting). Applied for ISO 9001 certification according to the work plan. In 2016, applied for two additional projects, namely CentralFestival Samui and CentralPlaza Salaya. Applied for ISO 20121 certification according to the work plan for one project Assessed operation risk factors on operation covering 100% of all operating shopping centers. 	<ul style="list-style-type: none"> Improve CPN's Standard Mall Handbook and the development process of business partners' staff for significant effectiveness. Improve CPN's Standard Mall in the area of services specifically to tenants and customers in accordance with ISO 9001 certification. Apply for ISO 20121 certification for two additional shopping centers and extend this to all shopping centers.



WORKING PROFESSIONALLY AND FOSTERING PRIDE AMONG EMPLOYEES AS PART OF ORGANIZATION

CPN believes that instilling pride in the employees who are part of CPN is a major factor that drives the success of the organization. The Company values management that takes into account human rights principles, basic welfare, working environment and workplace culture, as well as increasing employees' capability and development to grow in career path. All these factors foster employee engagement, instill them with pride, as well as motivate them to innovate and perform their duty with their utmost ability and wholeheartedness.

MANAGEMENT APPROACH

Manpower Planning and Management

CPN annually analyzes and reviews the needs of manpower through workloads, work plans, projects, and required caliber. The Company manages manpower by considering:

- Employees within the organization - such as rotation, support the transfer of employees to work at the Company's shopping centers located in their hometowns, and promotion, etc.
- Recruitment from outside - especially the Company's shopping centers in the provinces will give priority to local residents and various ethnic employees who understand local culture very well

Employee Recruitment

CPN values treatment under international human rights principles. It treats the applicants or those interested to work with CPN with equality and respect for human dignity without discriminating the basics of each individual whether they be race, skin color, religion, ethnicity, gender, age, or disability, as well as personal traits not related to work, taking into account the qualifications of each position according to educational background, work experiences, personal skills, and other criteria essential to particular work.

All new employees are welcomed like family members and coached. New employee orientation is organized to acquaint new employees with the organization's vision and core value, rules and regulations, welfare, and international standards adopted by CPN as operational guidelines. Not only do the new employees understand the organization, but they also feel that they belong to the same family and give them confidence to work together under the core value of "To be Confidently Creative and Strive for Excellence Together".

Employees' Performance Assessment and Potential Development

CPN operates its performance management system and assessment of employees' potential by assessing behavior in performing duties (twice a year) and assessment of performance outcomes against performance index (yearly), and uses assessment results for the consideration of salaries and yearly bonuses. Moreover, during the process of assessment of employees' performance outcome and that of their potential, supervisors will discuss with employees to give feedback on performance outcomes and understand the employees' points of view and needs. The information is used for Individual Career Development Plan and Individual Development Plan (IDP). The progress of IDP is monitored annually.

On the development of employees' potential, CPN organizes courses to develop employees such as (1) On-boarding Program, (2) Functional Course (3) Management and operation (4) Leadership. The courses are in different forms such as classroom training, E-Learning, On-the-Job Training (OJT), and coaching. The courses are improved and reviewed each year in line with the needs of the organization, work plans, and strategic challenges.

Moreover, CPN arranges talented employees for potential development under the organization's Future Leader Development Plan by grouping those with similar fields and work capability. The Company also defines important positions for succession planning and devises promotion plans for each position and career path for each business group.

Opportunity for Employees' Participation in the Organization's Development

CPN values the enhancement of operational efficiency and innovative creation within the organization. The Company organizes various activities appropriate to each business group to engage its employees in presenting procedures to improve and innovate at work such as the Dream Team Project and Business Development and Construction's Innovation Project. The committee in each business group will consider the recommended projects and award employees to motivate and make them proud. Each suitable project will then be used to improve the organization's work procedures at the corporate level.

Process of Employees' Retention and Increased Commitment to the Organization

CPN values employee engagement so that they are contented at work through the following guidelines:

- **Welfare and compensation**

CPN determines appropriate and competitive welfare and compensation, compared with the general labor market. Annual survey is conducted and compared with leading organizations in the labor market in the aspects such as medical fees for both in-and out-patients, education grants for employees' children or for employees wishing to further their education, wedding

allowances, funeral allowances for family members, and emergency loans for employees.

- **Work environment and working atmosphere**

On the environment, CPN stipulates that the workplace and necessary tools and equipment must be appropriately arranged with cleanliness, orderliness, convenience, and safety.

On the work environment, CPN focuses on being a transparent and equitable organization. Top management acts as role models that give employees freedom and respect of their right to congregate freely based on corporate governance principles. It neither obstructs individual or group discussions nor individual opinions and expression. Moreover, CPN focuses on creating a happy environment for employees on every work day and strengthening good relationship within the units through customized activities according to the culture of individual units.

- **Social Activities**

CPN promotes and supports employees to be public-conscious, focusing on community and social services. It allows employees to use work hours for volunteer community work (as detail in Center for Communities on page 92).

Process of Employees' Feedback and Engagement

CPN provides numerous channels for communication and engagement of employees (as shown on page 66-69). Gathered information is analyzed, developed, and improve human resource management to be appropriate, fair, and equitable. Especially, the findings of the annual employee opinion and engagement survey use the framework of employee engagement toward the Employer of Choice by Aon Hewitt and Gallup. It studies and analyzes trends of employee engagement vis-à-vis various factors to prepare plans for upgrading employee engagement by target group. It then presents the work plan and budget to the People Development Committee at the branch and corporate levels respectively. The People Team, a volunteer cross-functional team, is responsible for overseeing, presenting, and assessing the success of all activities in order to improve the work plan for the following year.

"CPN believes that happy employees develop, grow, and take pride in belonging to the organization, resulting in capable employees engaging in it. Therefore, it sets a score on employee engagement and a percentage of regrettable loss as a corporate KPI."

ROLES AND RESPONSIBILITIES

The CEO is responsible for fostering engagement within the organization and ensuring that employees are developed as professionals. The Human Capital Management and Organization Development Division is directly in charge of the organization's human capital management to promote and support employee development according to individual development plans, passed through all supervisors and line managers who are responsible for supporting, following up, and evaluating their staff's performances.

The Head of the Human Capital Management and Organization Development Division is responsible for monitoring and ensuring that the employees' feedback and engagement are aligned with work plans and efficient according to the corporate's targets. CPN stipulates that it is the duty of all employees to forge engagement within the organization.

PERFORMANCE OUTCOMES

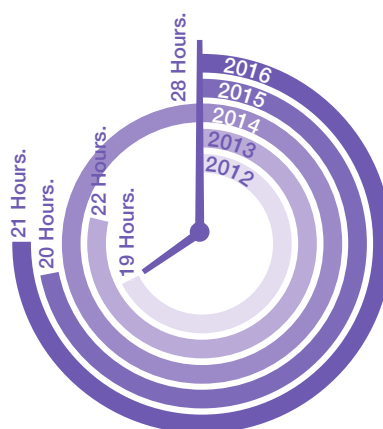


SD Mission 5: Offering Career Advancement and Opportunities

CPN revises the direction of human resource development by adopting On-the-Job Training (OJT) and increasing supervisors' coaching to enhance employees' skills, capacity, and efficiency. In 2016, CPN stipulated development guidelines with a ratio of 70:20:10 i.e. OJT 70%, learning from coaching 20%, and classroom learning 10%.

CPN Academy is responsible for knowledge management in classrooms. In 2016, it organized 73 training sessions according to the training plan, with 34% increase in attendance, both in class and online, from previous year. The survey results of overall satisfaction with training accounted for 85.89% and CPN employees' average hours of training were 21 hours per person per year.

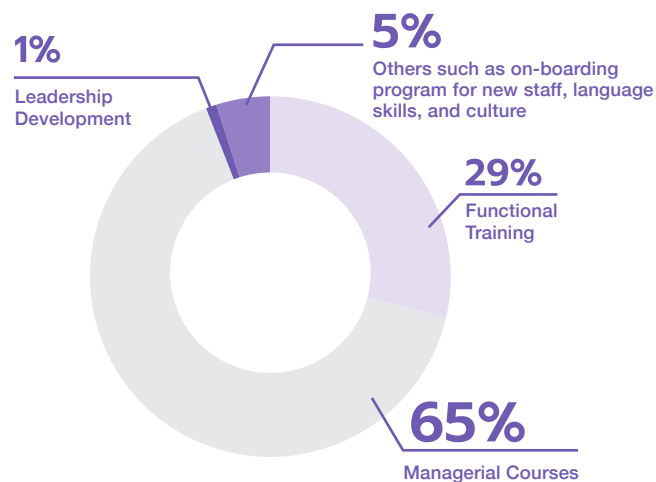
Average training hours of each personnel per year



Note: In 2013- 2014, CPN started using the SAP Program, a software for Enterprise Resource Planning (ERP) which necessitated training for a lot of employees, resulting in a significant increase of training hours of each personnel per year during the period.

Moreover, CPN Academy in cooperation with Central Group continually organized sharing sessions with experts and experienced persons, such as a Sharing Forum with the CEO of Central Group, an Innovation Sharing Forum with external experts, 18 sessions in total (excluding sharing sessions in small groups in each shopping center).

Training Courses



Moreover, CPN encourages employees to develop themselves as trainers for undergraduates under the Work Integrated Learning Project (WIL) in collaboration with National Science Technology and Innovation Policy Office (STI) and King Mongkut's University of Technology North Bangkok (KMUTNB). The project integrates theoretical learning into real-life work in shopping centers. It recruits students with High Vocational Certificates to work with CPN while continuing their education in a three-year

B.A. program, with credit transfer, in Electrical Engineering, Faculty of Technical Education, KMUTNB. CPN strongly believes that the WIL Project will benefit a lot of people, including CPN's human resource development, by transferring real-life knowledge. It also sustainably supports Thailand's education policy by extending opportunities for needy students to work and study at the same time. Moreover, WIL serves as a channel to recruit and create the new generation of employees in the shopping mall system to meet CPN's growth and expansion. Currently, CPN has 15 participating students under the WIL Project.

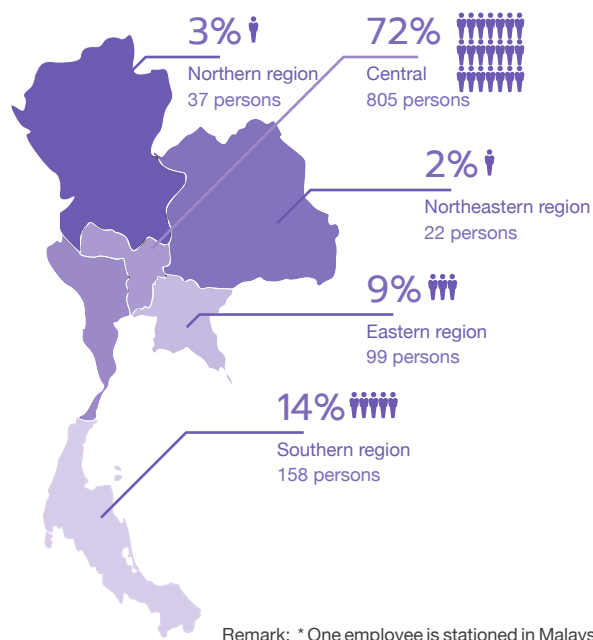


SD Mission 6: Engaging Employees and Enhancing Wellbeing

In 2016, CPN improved the annual employee opinion and engagement survey process through the "Power of Voice Project". The key objective was to provide a channel for employees to express their opinions and satisfaction with their work, divided into two aspects namely 1) fundamental factors such as career path, teamwork, work support, and basic need 2) factors influencing changes such as intraorganizational cooperation, performance, and brand & leadership. The survey was conducted via an automated phone system and a website, with 98.4% of employees participating in the survey and the score for organization engagement increasing by 28%, compared to prior year.

CPN encourages recruitment of locals living in the areas where the shopping centers are located. Moreover, it allows employees to transfer back to their hometowns to promote happiness at work. CPN also intends to improve locals' quality of life and income distribution to regions. In 2016, CPN recruited a total of 1,121 new employees with the distribution in each region as follows:

New recruits by region

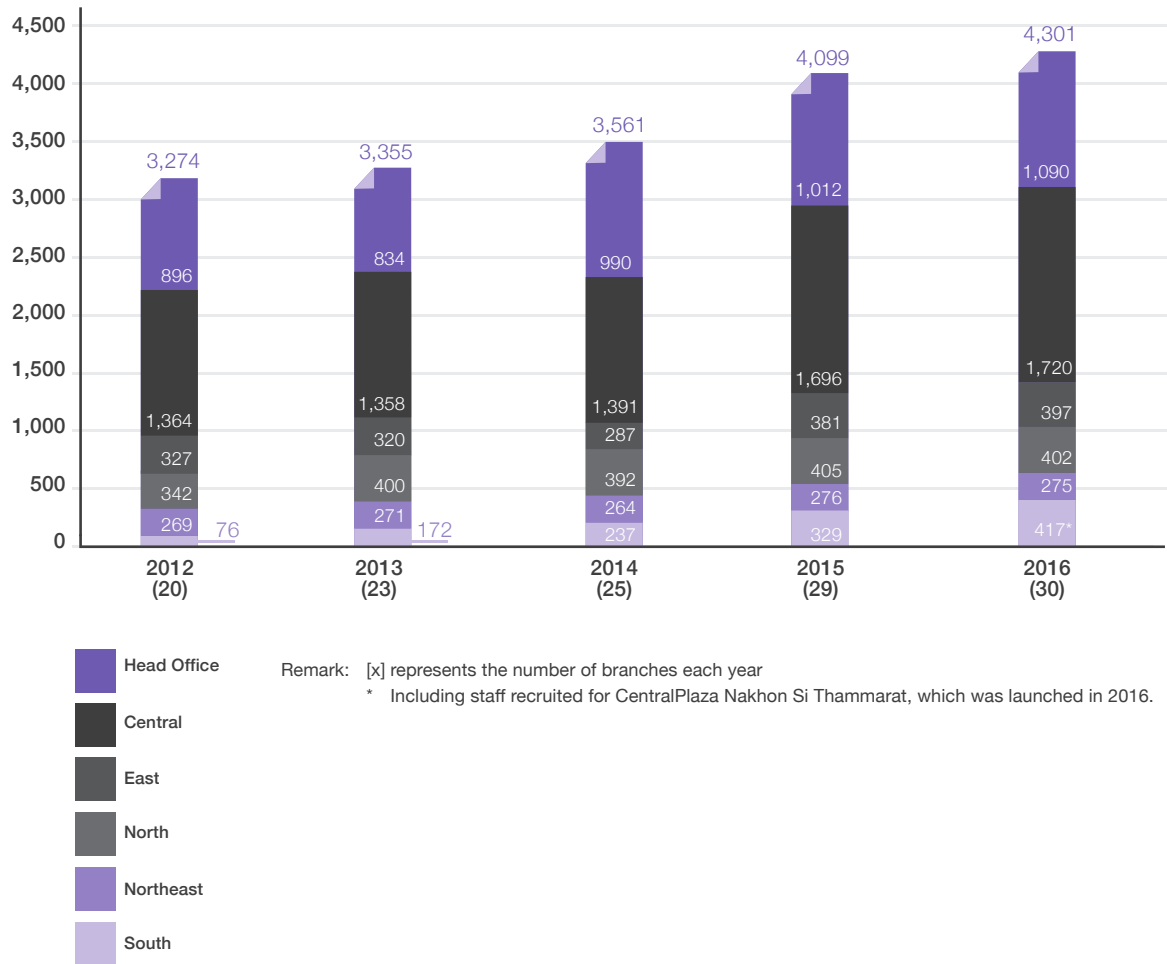


The distribution of each region depends on the business growth of that region. Most employees' domiciles are concentrated in the Central Region. There were 28 employees who requested transfer to their hometowns. The transfer to one new project alone, CentralPlaza Nakhon Si Thammarat, constituted 34% of total employees in the project.

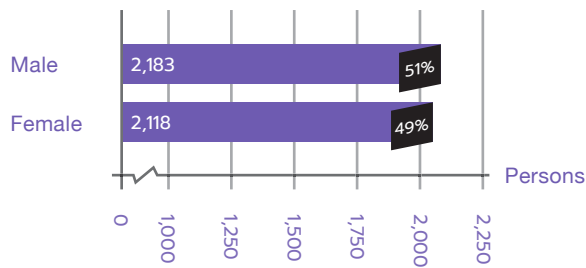
Topics	2016 Performance Outcomes	2017 Plans
Employee engagement	<ul style="list-style-type: none"> Implemented the work plan for increasing employee engagement, with Employee Engagement Index meeting the set target for four consecutive years and a rising score of 28% from the previous year.* Implemented all engagement plans, driven by the People Team and POV Change Agent in each unit. Closely monitored the performance by People Development Committee at branch, office, business group, and corporate levels. Implemented the employee retention plan to reduce the rate of regrettable losses, with reducing the % regrettable loss indicator to meet the set target. CPN did not set up a labor union within the organization and no employee of CPN belonged to any other labor union. 	<ul style="list-style-type: none"> Improve recruitment efficiency via the online channel and recruitment channels to be more in line with the lifestyle of the new generation. Improve efficiency of individual career development plan and career path in or across lines of work, in parallel with employee development by supervisors' or colleagues' direct coaching. Implement cooperation plans for efficient work as part of the corporate's culture.

Personnel Data

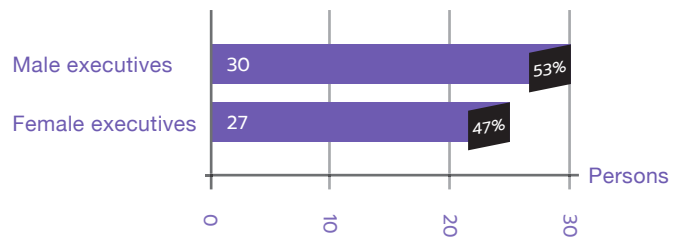
CPN's headcount as of December



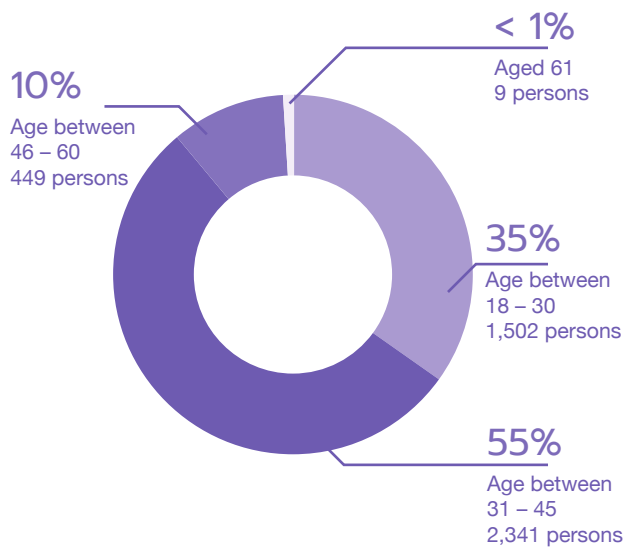
Staff classified by gender



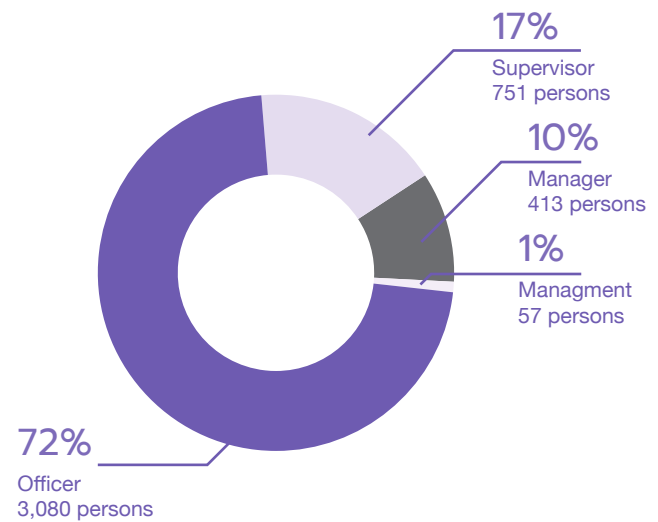
Top management classified by gender (Vice President up)



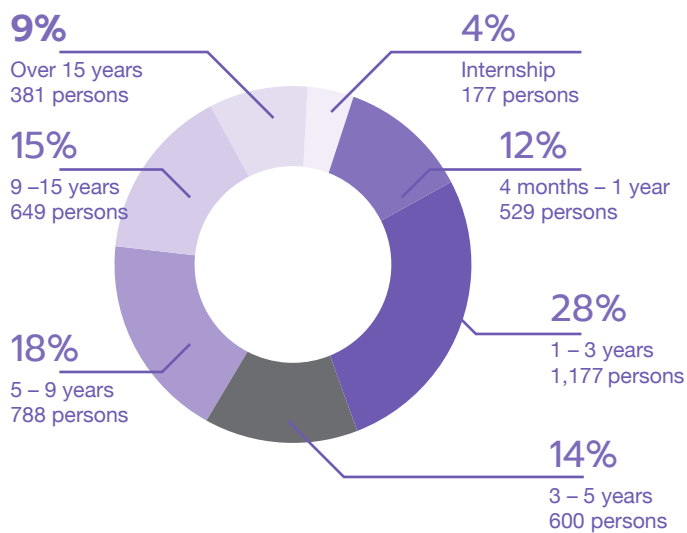
Staff Classified By Age



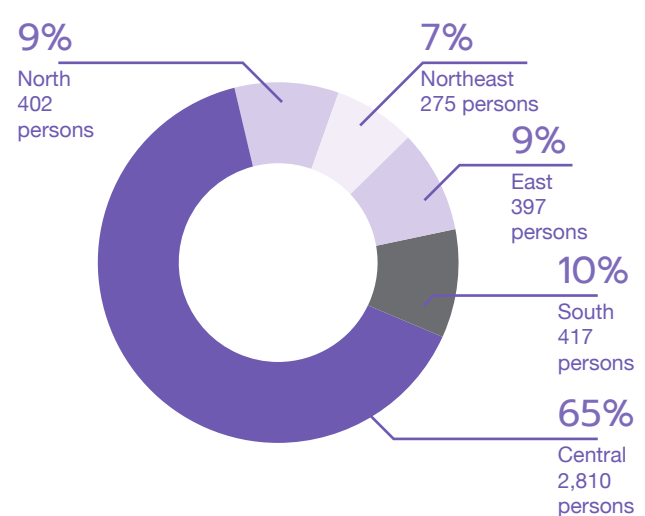
Staff classified by job level



Staff classified by years of service



Staff classified by domicile





DEVELOPING INTO CENTER FOR COMMUNITIES

CPN is the leading commercial property developer and a member of the Central Group, whose nature of business involves Thai people's way of living. CPN is therefore committed to "developing" the wellbeing and economy of society, communities, and the nation in line with CPN's growth, as implied in the Company's name "Central Pattana" - the Center of Development. The key approaches that CPN and the Central Group are determined to jointly develop with society and communities involve community development and education.

MANAGEMENT APPROACH

CPN deployed the outcome of its customer needs survey as well as opinions, suggestions, and participation of communities, government agencies, civil society and representatives of the private sector (as shown in Table on page 66-69) as a reference to define an action plan to turn CPN into a community center. The plan is implemented through various programs, which are tailored by target group, location suitability, participation of the civil society sector, and readiness of related personnel with a focus on developing shared values by taking the following programs:

Investment and Community Development

- Constructed buildings for the public benefits in terms of transportation, wellbeing, and sanitation for neighboring residents. CPN also provides government agencies, education institutes, civil society agencies, and non-profit organizations with non-financial support, such as venues for free use or at a discount, to organize exhibitions. Furthermore, CPN offers special areas for public service and allows non-profit organizations to place donation boxes in the shopping centers. In collaboration with the Central Group, government agencies, and the civil society sector, CPN provides distribution channels for local entrepreneurs who are interested in the retail business.

- Incorporated local identities and cultures into project development and marketing activities to instill local pride, promote provincial tourism, and indirectly generate income for communities.
- CPN Volunteer activities not only allow CPN employees to spend work hours on volunteer activities, but also gives them financial support to help, promote, and reinforce communities on (1) health and safety, such as fire-fighting training and providing government agencies with air conditioner-cleaning service, (2) community and environmental development, for example reforestation and canal dredging, and (3) education, such as the Growing Thai Wisdom Project, which consists of volunteer activities implemented by the CSR team at the branch and Department of Corporate Social Responsibility-Special Activity at Head Office.

Collaboration with Tiang Chirathivat Foundation and Environmental Foundation

- (1) Donated money to communities, charity organizations, and agencies related to communities where CPN operates. Moreover, CPN made a contribution for crisis relief and education.
- (2) Other programs as seen appropriate, for example

- Education: Developed Learning Centers in schools and communities in remote areas and border-patrol police schools under the Growing Thai Wisdom Project.
- Environment: Offered exhibition venues for free and participated in environmental activities, such as “60+ Earth Hour” and other volunteer activities for environmental conservation.
- Strengthened the local economy by holding “Our Community Products” fair, which encouraged local communities to produce and sell products via the Central Group’s distribution channels. CPN also offered them free venues to hold marketing promotional activities.

The performance assessment and review on investment and community development includes: (1) Stakeholder satisfaction survey, which assesses the satisfaction and engagement of customers, tenants, employees, and the civil society sector. The outcome was analyzed to further develop the strategies and define continued action plans, which mainly consider the future interests of target communities. (2) Assessment of Social Return on Investment (SROI), whose proper mechanism is being studied by CPN in collaboration with the Central Group.

ROLES AND RESPONSIBILITIES

Senior Executive Vice President of Business Development and Project Construction and Senior Executive Vice President of Operations are responsible for developing into community center according to their corresponding jobs. The Corporate Governance and Sustainable Development (CG-SD) Committee and Executive Committee oversee and follow up overall performance.

The Head of Department of Corporate Social Responsibility-Special Activity directs and follows up every project under the Center for Communities concept to ensure that it is effective and serves public interests. CPN collaborates with the Central Group’s Office of Policy Management for Corporate Relations and CSR, the manager of Tiang Chirathivat Foundation, and Environmental Foundation in setting the single operational direction under the supervision and monitoring of the Executive Vice President of Operations and Marketing.

PERFORMANCE OUTCOMES



SD Mission 7: Co-Creating Social and Community Values

7.1 Investment and Community Development

In 2016, CEO joined the taskforce of Public-Private Collaboration Committee under “SME and Startup” (visit www.สานพลังประชารัฐ.com for further information.) in supporting entrepreneurs in communities and local enterprises to sell products or offer services to consumers directly through following projects:

- SME Market Place project by Public-Private Collaboration with free of charge. (The details are shown on page xx.)
- SME Expo events were held at CPN’s convention centers of CentralPlaza Lardprao, CentralPlaza Udon Thani, CentralPlaza Hat Yai, and CentralFestival Chiangmai.
- “Sukjai (Happy) Market” has been held monthly in collaboration with Sangkhom Sukjai Foundation on the ground floor of The Offices @ CentralWorld for five consecutive months.
- In “Tops for Farmers” marketing promotion activity under public-private collaboration, CPN joined hands with Central Group in offering a distribution channel to farmers and community enterprise, totalling 20 projects.
- “Our Community Products” project, marketing promotion activity for Tiang Chirathivat Foundation, was held in CentralWorld, CentralFestival Chiang Mai, CentralPlaza Chaeng Wattana, and CentralPlaza Udon Thani.
- Offering “Tops” suppliers the venue to sell 450 tons of southern langsat in every participating project.

In 2016 when farmers suffered from the plunging rice price, CPN, together with Nonthaburi Public-Private Collaboration Co., Ltd., held marketing activity called “Rice Market for Thai Farmers”. It offered Thai farmers the space to sell rice directly to consumers in CentralPlaza WestGate, as the pilot project in Thailand. Then, the activity called “Public-Private Collaboration Rice” under collaboration with Ministry of Agriculture and Co-operatives and Ministry of Commerce was expanded to all branches.



In promoting the unique and outstanding local products, CPN set the strategies that focused on displaying and selling well-known products cross-regionally. In 2016, CPN organized totally 33 activities to promote high-quality local products in 20 branches.

Furthermore, CPN allows government agencies and charity organizations to use certain space for public interests. For example, CPN, joining Office of the Public Sector Development Commission (OPDC), established G-Point as the service center at CentralWorld and CentralPlaza Salaya to provide government transaction services. In 2016, CPN, together with Nonthaburi Provincial Social Development and Human Security Office, established Government Center that offers one-stop-service in CentralPlaza WestGate. Moreover, CPN offered space for blood donation activities of the Thai Red Cross Society to host CENTRAL Group Give Blood for Mom at 76 times, receiving totally 3.2 million cc. of blood. It also provided venue with no charge or a discount for government agencies, education

institutes, and non-profit organization to hold totally 1,200 activities or accounted for over Baht 240 million. For Volunteer CPN, 53 activities were held in 2016, 40% less than previous year, due to an adjustment of criteria relating to the operation of volunteer and social activities to become more precisely, with 318 employees attending (based on data that was collected and indicate redundancy).

7.2 Collaboration with Tiang Chirathivat Foundation and Environmental Foundation

In 2016, CPN implemented the Growing Thai Wisdom project and Long-distance Learning-via-Sattelite project to offer disadvantaged children and people a chance of education by installing long-distance-learning sattelites for 87 Child and Juvenile Observation and Protection Centers countrywide. CPN, in collaboration with Tiang Chirathivat Foundation and Central Group, also established learning centers in schools and communities in remote areas, and one more border patrol

police school, Chiang Rai- Phayao Border Patrol Police Vocational School, which implements child and juvenile development under the royal initiative of H.R.H. Princess Maha Chakri Sirindhorn in Chiangrai province.

During the flooding between September and October in 2016, CPN joined forces with the Central Group and Environmental Foundation in donating 1,000 survival bags to help the flood victims in Ayudhya province.

Topics	2016 Performance Outcomes	2017 Plan
Investment and community development	<ul style="list-style-type: none"> • Held 42 marketing activities, under the budget of 45 million baht, to develop shared value with the communities and society. • Joined Public-Private Collaboration project, with special budget of 14.2 million baht for new projects. • Offering space for free of charge, equivalent to the budget of Baht 240 million, to support community activities. • Provided the taskforce and budget for CPN Volunteer project and other projects that co-create value with communities, totaling Baht 1.4 million (excluding Long-distant Learning-via-sattelite project, which is under submission). • Generated 14-million-baht income (based on the data collected) for community entrepreneurs, farmers, and community enterprises and more than 40-million-baht income for SMEs. 	<ul style="list-style-type: none"> • Adjust the pattern of Public-Private Collaboration project to enhance efficiency. • Host marketing activities to co-create value with communities and society, representing 10% of total marketing activities throughout the year. • Develop and improve CPN Volunteer project so that the employees can propose and participate in activities. The Project targets more precisely.
Donation	<ul style="list-style-type: none"> • Made a donation, with the total budget of Baht 10.5 million, to various foundations, such as Tiang Chirathivat Foundation and the Environmental Foundation. 	<ul style="list-style-type: none"> • Together with Central Group, combine the Growing Thai Wisdom project with CONNEXT ED (Leadership Program for Sustainable Education), targeting to develop 3 schools in the Project.



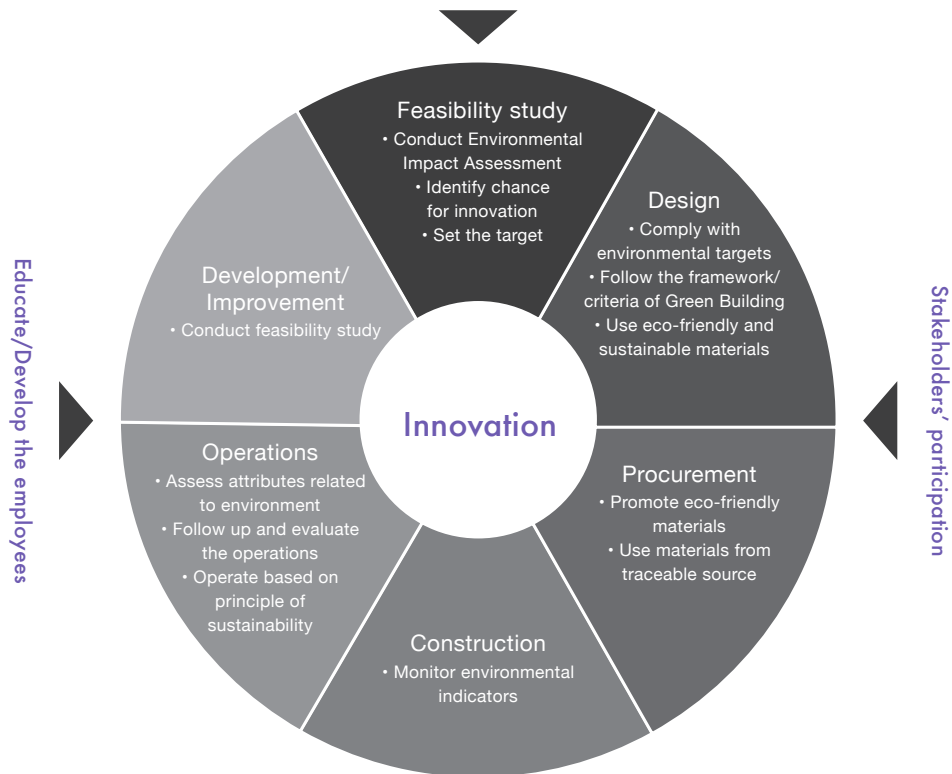
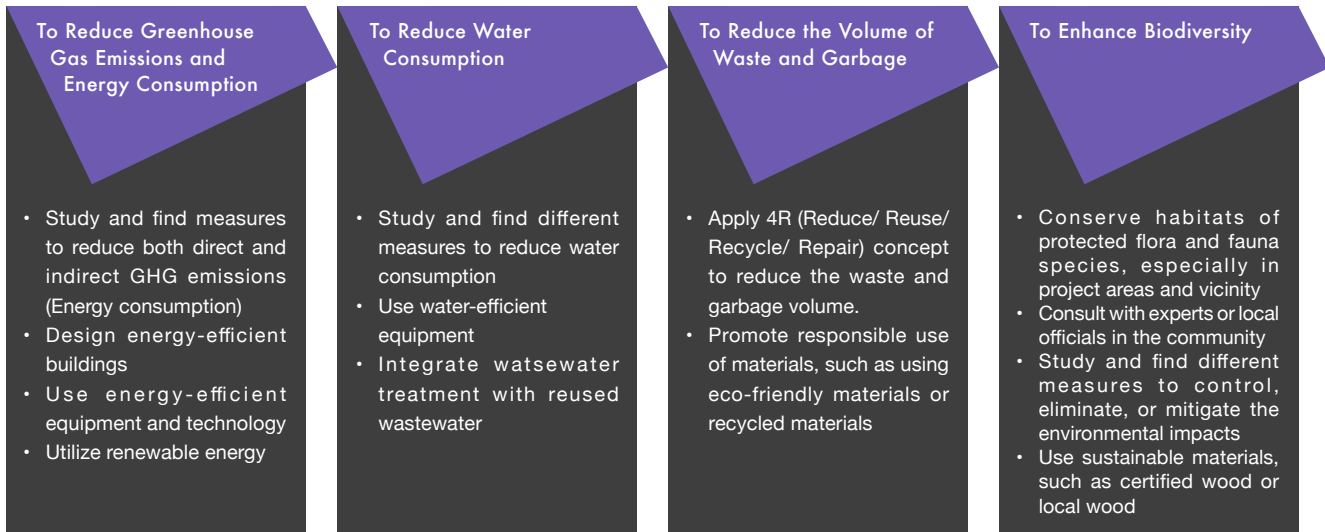
MANAGING CLIMATE CHANGE AND ENVIRONMENTAL IMPACTS

CPN has been committed to developing and improving the approach and measure of climate change and environmental management from the start. Currently, it formulates the policy to mitigate climate change and environmental risks, aiming to reduce greenhouse gas (GHG) emissions as well as water and energy consumption. In addition to lower the environmental impact, CPN can manage the operational cost. It applies advanced energy-efficient technology and standard of environmentally friendly building design to increase effectiveness and lower electricity consumption for its business partners and tenants.

MANAGEMENT APPROACH

- Reducing greenhouse gas emissions, both directly from CPN and indirectly from its business operation (Scope 1-3)
- Reducing electricity consumption in business operation from the generation source directly and source of alternative energy
- Reducing water consumption in the projects, from direct sources like ground water and rainwater and treated water for recycling purpose.
- Managing waste and garbage produced by business operations
- Considering biodiversity and ecosystem, including promoting the abundance in local areas

OBJECTIVES



To ensure the efficient climate change and environmental management, CPN applied the related international standards certified by third-party agencies, such as environmental management system (ISO 14001), greenhouse gas management (ISO 14064-1), energy management system (ISO 50001), criteria of Thailand Energy Award presented by Ministry of Energy, and Asean Energy Award.

To jointly set the operational guideline on climate change and environment, CPN communicated with stakeholders and encouraged the participation of shops, customers, supplier, and society (as shown on page xx) to enhance the result and drive forward this approach together.

"Recognizing the importance of resource and environment management, CPN designated lower energy consumption volume each year as KPI of each department related and as a parameter to calculate corporate's financial indicator."

ROLES AND RESPONSIBILITIES

The climate change and environmental management is divided into two phases: 1) Project design and construction under responsibility of Senior Executive Vice President of Business Development and Project Construction, and 2) Operation under responsibility of Executive Vice President of Operations.

The Head of Technical Development Division and Head of Property Development Management Department proposes strategies and drives the action at organizational level while Regional Managers and General Managers drive officers at operational level to perform as planned and targeted.

Climate Change and Environment Committee oversees the operations at corporate level and assigns related sub-committees to supervise the branch level. The Committee also considers the climate change and environmental management as all employees' responsibility. The quarterly meeting is scheduled and reporting its performance to CG-SD Committee periodically.

PERFORMANCE OUTCOMES



SD Mission 8: Managing Societal and Environmental Impacts Efficiently and Effectively

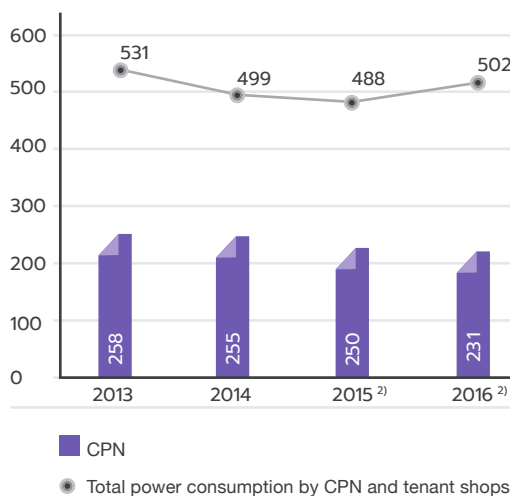
In 2016, CPN announced the policy of climate change and environment to expand the existing framework for energy and environment conservation. This policy covers the operation and management of natural resources, energy, utility, climate, environment, biodiversity, and waste management to ensure the maximum benefit and effectiveness in a systematic and sustainable way. It focuses on reducing indirect GHG emissions (Scope 2) by using energy conservation measure, increasing the usage of alternative energy, and enhancing the efficiency of water reuse.

8.1 Management of GHG Emissions and Energy Consumption

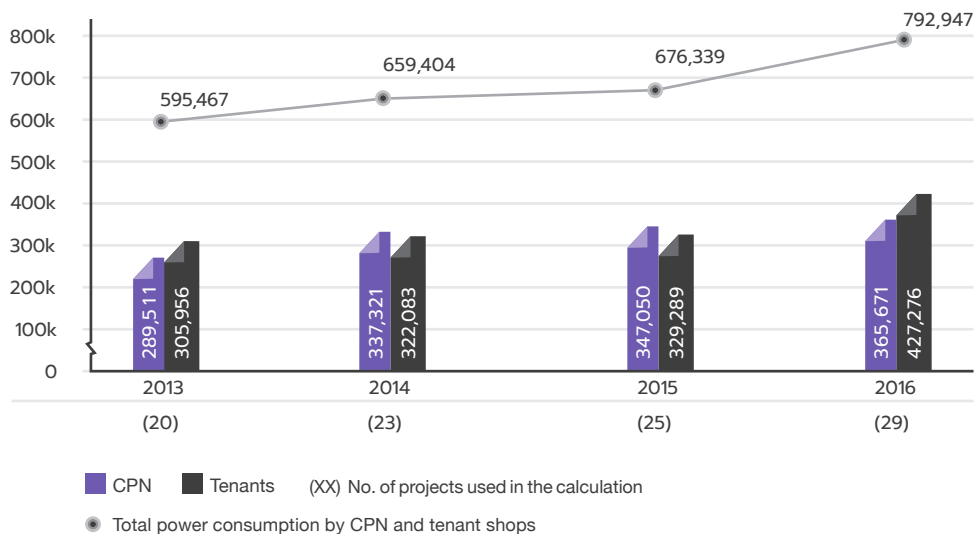
CPN applies Carbon Footprint for Organization or Corporate Carbon Footprint (CCF) guidance as a guideline to display the amount of GHG emissions caused by its operations, leading to effective management of GHG emissions. CPN adheres to carbon assessment guideline of GHG standards (ISO 14064-1) and requested accreditation from Thailand Greenhouse Gas Management Organization (Public Organization) for eight shopping centers, namely CentralPlaza Lardprao, CentralPlaza Rama 3, CentralPlaza Salaya, CentralPlaza Chaengwattana, CentralPlaza Rama 9, CentralPlaza Khonkaen, CentralPlaza Udonthani, and CentralFestival Samui. The outcome revealed that GHG emissions in scope 1 accounts for less than 1% of CPN's total emissions. Therefore, the approach for reducing GHG emissions focuses on decreasing its electricity consumption (Scope 2).

In 2016, CPN invested 182 million baht in techniques and measures of energy consumption and applied it to 26 sites. Some of the measures would result in greater efficiency in energy consumption in 2017. CPN studied and adjusted the calculation method of Specific Energy Consumption (SEC) and its report to be in line with GRI Guidelines for Real Estate Section by calculating with net leasable areas instead and plans to collect SEC data by this method for analysis and afterwards set appropriate standard for energy consumption efficiency.

Specific Energy Consumption (SEC)
(KWh/m²)



Total Energy Consumption¹⁾
(MW-hr)



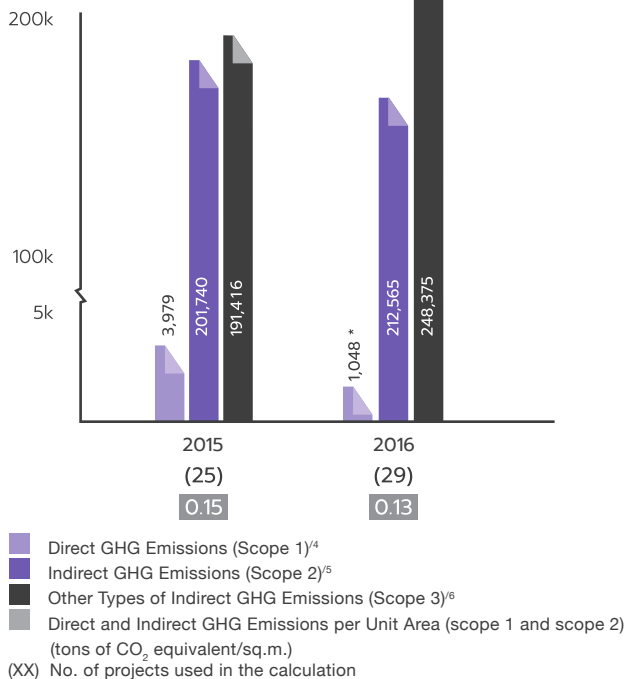
Target: By 2017 set to reduce energy consumption by 3% (compared to year 2015's) or equivalent 11,000 MW-hr and by 2025 to reduce SEC by 20% or equivalent to 200 KWh/m² compared to base year 2015.

Remarks: ¹⁾ Energy consumption in the shopping centers consists of two major parts: (1) combustion in CPN and (2) power consumption by CPN and tenant shops, including purchase of energy and renewable energy. In 2016, CPN generated a total of 127,976 KW-hr of solar electricity. However, the table below displays only power consumption.

²⁾ Excluding data from projects partially closed for renovation, i.e. CentralPlaza Pinklao in 2015 and CentralMarina in 2016.

Volume of GHG Emissions³⁾

GHG Emissions
under Operational
Control Approach
(Tons of CO₂ equivalent)



Target : By 2025 set to reduce Direct and Indirect GHG Emissions per Unit Area by 20% or equivalent to 0.12 tons of CO₂ equivalent /sq.m. compared to base year 2015.

Remark:

³⁾ GHG emissions consist of the emissions caused by several activities of CPN's shopping malls, office buildings, and offices for rent. Direct GHG emissions are calculated based on the report and method of Intergovernmental Panel on Climate Change 2006 (IPCC) and the guideline of Thailand Greenhouse Gas Management Organization (Public Organization), which uses the operation control method.

⁴⁾ Direct GHG emissions (Scope 1) derive from CPN's fuel combustion, namely benzene, diesel, and natural gas.

⁵⁾ Indirect GHG emissions (Scope 2) derive from outsourced fuels for CPN operations only, excluding power purchase by tenant shops.

⁶⁾ Other types of indirect GHG emissions (Scope 3) derive from energy consumption along transportation routes and power purchase by tenant shops.

* adjusted calculation method to be in accordance with Thailand Greenhouse Gas Management Organization (Public Organization)'s guidance of the Carbon Footprint for organization (www.tgo.or.th)

8.2 Water Resource Management

Water used in CPN's businesses is tap water supplied by either Metropolitan Waterworks Authority or Provincial Waterworks Authority, including ground water and reused water. In 2016, CPN consumed a total of 9,876,159 cubic meters of water (including recycling water) in the operation of 29 shopping centers. Between April and June 2016, CPN also joined the "Share Water to Fight Drought" Project with Thai Chamber of Commerce and "Save Water Save Life" Project with Metropolitan Waterworks Authority to define water-saving measures, which was campaigned during water shortage. CPN also ran the water-saving campaign for customers inside the shopping centers (only in Bangkok area), as a result, enabling to reduce water consumption by 35,575 cubic meters.

In 2016, the CG-SD Committee approved the installation of more water-recycling systems at three projects, i.e. CentralPlaza Udonthani, CentralPlaza Suratthani and CentralFestival Samui and improved systems at CentralPlaza Chonburi and CentralPlaza Chaengwattana since the quality of water was not qualified to use, led to reused-water consumption lower than 0.8% compared to prior year. The reused-water consumption accounted for 12% of total water usage in six projects, above the estimated target at 8%.

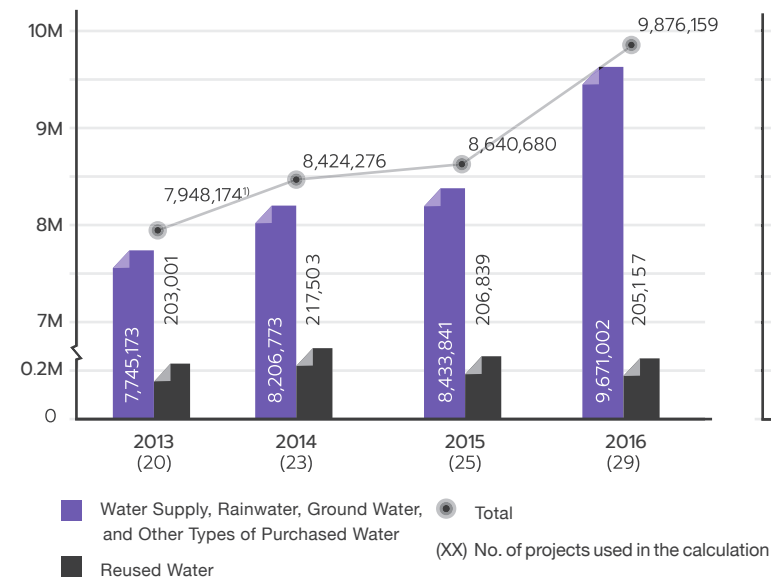
8.3 Waste and Garbage Management

CPN adopted the policy to reduce and segregate waste in closed waste-dumping sites and support garbage sorting for reuse. In 2016, CPN sent a total of 75,320 tons of waste from 29 shopping centers for proper treatment, an increase of 2% per center over the previous year. Of the total waste, 63% was general garbage, 30% wet garbage, and 7% other garbage. The volume of recycled garbage was 14 tons.

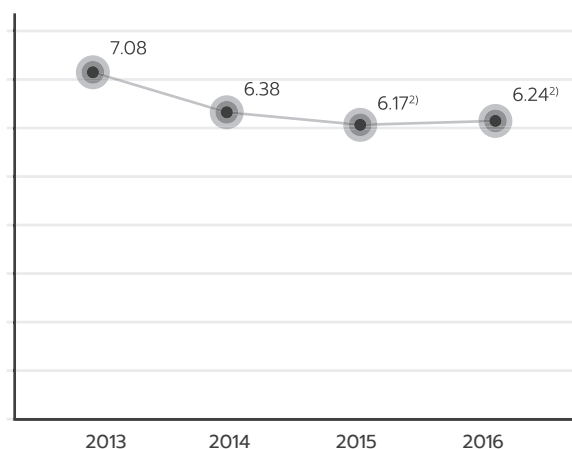
Moreover, in 2016, CPN expanded the 5S Plus Project in offices, emphasizing clean, easily accessible, and safe workplaces at Head Office at The Office@CentralWorld. With cooperation of personnel and management, the recycled garbage generated totaled 15.3 tons were sent through the Shred2share Project of Infozaf Co., Ltd., equivalent to 4 tons of Carbondioxide equivalent of GHG reduction.

Water Consumption

Total Water Consumption (m³)



Water Consumption Per Area Unit (m³/m²)

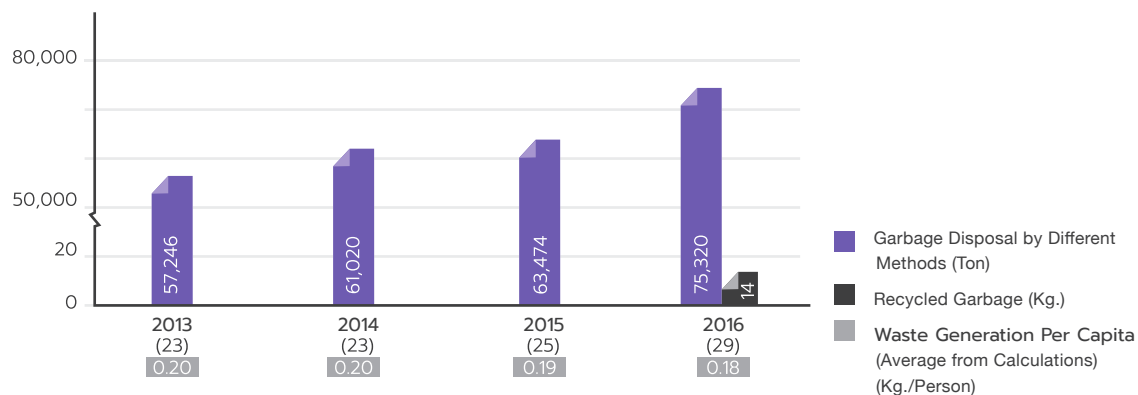


Target: By year 2017, aiming at least 2% recycled-water consumption of the total water consumption and by year 2025 at least 5% of the total water consumption

Remark: ¹⁾ Data on water consumption has been adjusted in accordance with the above classification
²⁾ Excluding data from projects partially closed for renovation, i.e. CentralPlaza Pinklao in 2015 and CentralMarina in 2016

Volume of Waste for Disposal

Volume of Waste for Disposal (Ton)



Target: By year 2017 aiming to encourage and campaign for stakeholders to engage in sorting out recycled garbage at the beginning before dumping into a bin.

8.4 Ecology and Biodiversity Management

CPN has a clear policy not to develop any projects near protected or conservation areas. CPN has set a regulation that all new construction as well as renovation projects must take into consideration a survey and study of the projects' ecology and consultation from outside experts. CPN also takes care to conserve the ecology around each construction site.

CPN focuses on promoting the quality of life by bringing nature close to people in society. This aims to help them bond with nature, appreciate its value, and conserve it so that it may remain with the communities. Trees were planted inside and outside the projects as seen from new projects constructed in year 2014 onward, namely CentralPlaza Salaya, CentralFestival EastVille, CentralPlaza WestGate, and CentralPlaza Nakhon Si Thammarat, including the renovation of existing shopping centers. If tree removal cannot be avoided, the trees growing on the land would be fenced in or carefully uprooted and replanted in other projects nearby. CPN projects' landscape architecture must be designed in the highest

agreement with the city's characteristics and local ecology, such as planting indigenous trees around the project.

In 2016, CPN formulated the policy of ecology and biodiversity (For further details, please visit www.cpn.co.th/sustainability) and approach that focuses on growing or decorating large native plants with seasonal flowers inside and outside the projects, such as Golden Shower trees (or *Cassia fistula*) with yellow flowers, which are known as the national tree of Thailand, and Pink trumpet tree with delicate pink flowers that look like cherry blossoms. CPN planned and pioneered the landscape improvement in three pilot projects, namely CentralWorld, CentralPlaza WestGate, and CentralPlaza Ramindra. It will soon expand the scope of implementation to every shopping center across country. CPN also set landscape maintenance standards, which suppliers are required to comply with. It hopes that customers and people in the communities have a chance to get closer to nature and greenery, which will inspire them to care for and sustainably co-exist with nature.

Topics	2016 Performance Outcomes	2017 Plans
Efficient GHG management and natural resources usage	<ul style="list-style-type: none"> • Estimated CPN's GHG emissions. Eight branches were certified by external agencies, representing 25% of the total shopping centers operated in 2016. • Reduced energy consumption by 4% from last year, or 8.6% against the base year 2012. • Installed energy-saving techniques worth 182 million baht, which could lower energy consumption by about 12,804 megawatt/year. • Completed to install renewable energy system (solar-cell) in CentralPlaza Ubonratchathani as planned.¹⁾ • Won four Thailand Energy Awards 2016 in CentralPlaza Grand Rama 9, CentralPlaza Udonthani, Central Rattanthibet, and CentralPlaza Chiangrai. • Water consumption (controllable area) was up 3.9% against previous year due to a change of chiller at CentralMarina and an increase in using recycled-water not less than 2% of water usage volume. • Invested in the installation of waste water treatment systems for reusing, worth Baht 4.6 million, at CentralPlaza WestGate, CentralPlaza Rama 3 and CentralFestival Hatyai. Water consumption volume was estimated down by 200,600 cubic metres per year. • Formulated efficient plans of waste and garbage management, set goals to reduce garbage in landfills, and increased the volumes of recycled waste in pilot shopping centers. • Educated related parties and improve the method for correctly filling, storing, and reporting the performance of resource management in every shopping center. CPN is now assessing the outcomes to verify the data. • Studied and applied design and construction standards based on international standards. 	<ul style="list-style-type: none"> • Expand the scope of GHG emissions assessment to more than 75% of all shopping centers to be operated in 2017. • Set target to reduce energy consumption by 3% from 2016 and set a long-term goal to lower Specific Energy Consumption by 20% by 2025, compared to data in 2015 as base year (2015 -2025). • Conduct a feasibility study to install renewable energy system (solar-cell) in three projects • Set target to reuse the water at least 2% of total consumption and at least 5% by 2025. • Study the volumes of waste and make a list of waste by category, with CentralPlaza WestGate as the pilot project. • Improve the integrated system to store and report the data of resource management. Find the international standards for benchmarking. • Raise the standard of building design and construction to be on a par with international ones, such as LEED (Leadership in Energy and Environmental Design).

Topics	2016 Performance Outcomes	2017 Plans
Environment Management System (EMS)	<ul style="list-style-type: none"> Maintained and controlled the ISO 14001 standard to manage the environment in 19 certified shopping centers in every region. CPN requested the certification of four more projects, namely CentralPlaza Suratthani, CentralPlaza Phitsanulok, CentralPlaza Rama 9, and CentralPlaza Lampang²⁾. Reviewed environment management system by internal and external quality management agencies and found neither operation violating best practice nor significant leakage. 	<ul style="list-style-type: none"> Request ISO 14001 certification of four more projects.
Supply-chain management	<ul style="list-style-type: none"> 224 business partners and contractors passed qualification assessments in terms of economic, social, and environmental sustainability. 	<ul style="list-style-type: none"> Preliminarily evaluate key business partners' and contractors' qualifications related to the environment and society. They are also required to strictly comply with local and national environmental laws and regulations.
Stakeholders' Engagement	<ul style="list-style-type: none"> Promoted optimal resource usage, such as water and electricity efficiency and 4Rs measures, via internal communication channels, covering stakeholders visiting CPN's shopping centers nationwide. Joined the "60+ Earth Hour 2016" campaign, jointly hosted by Bangkok Metropolitan Administration, Foundation for Environmental Education for Sustainable Development (Thailand), World Wildlife Fund for Nature (Thailand), and public and private agencies, and CPN turned off the lights for one hour to alleviate global warming for eight consecutive years. 	<ul style="list-style-type: none"> Expand the scope of work by tangibly increasing stakeholders' engagement, especially tenant shops and customers, in SD mission 8.

Remarks: ¹⁾ Currently, CPN brings renewable energy innovation (Solar Cell) into operation at 3 malls (accounted for 10% of all CPN's operating malls), using budget over Baht 45 million in investment and management. As a result, reducing GHG emissions over 540 tons of carbon dioxide equivalent.

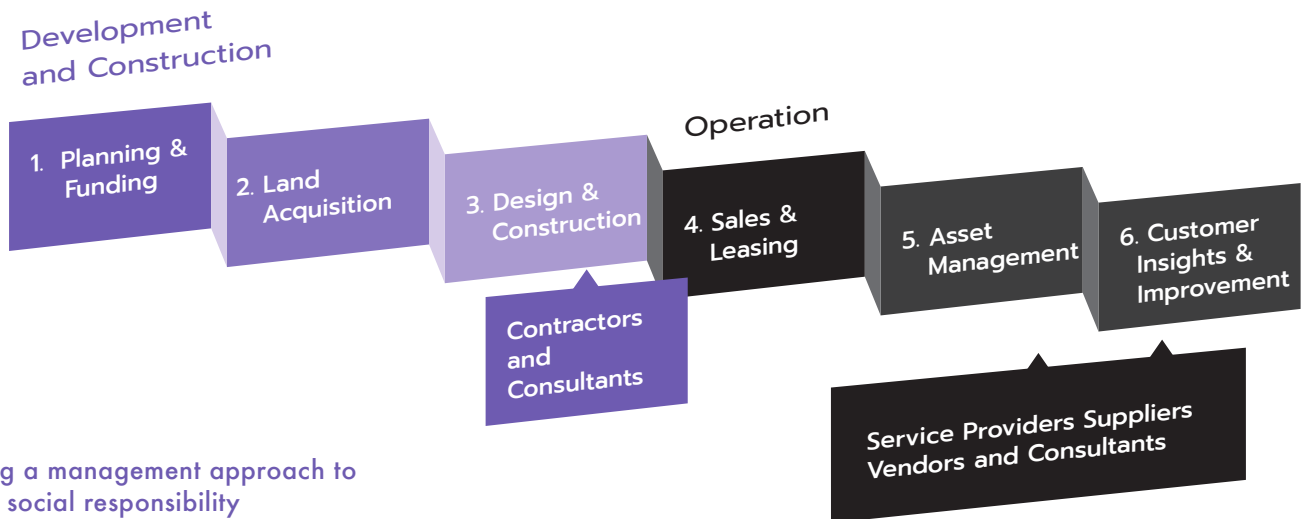
²⁾ CPN sets that all shopping centers under its management must be certified under ISO 14001 standards within 1 year after fully operational.



BUSINESS EXPANSION AND SHARED SOCIAL RESPONSIBILITY

CPN is well aware that it owes its success as leading property developer to not only internal operations, but also partners and suppliers that jointly created and developed thriving businesses to eventually enjoy growth together. Therefore, CPN is determined to strengthen the supply chain in business and shared social responsibility, covering all suppliers along the chain. CPN's supply chain is divided into: 1) Development and construction, and 2) Operations of asset and corporate management, consisting of hired service providers, including consultants and experts, and suppliers providing technology and products.

MANAGEMENT APPROACH



Setting a management approach to share social responsibility

to ensure that the product and service offer is aligned with the direction of CPN sustainability development, which focuses on the following points:

- (1) Regulating the operations to ensure cautious implementation, transparency, and fairness in compliance with mutual corporate governance principles

- (2) Caring for the environment, for example selecting environmentally friendly products and technologies and jointly managing potential environmental impacts and risks
- (3) Considering consumers' health, hygiene, and safety as well as the quality of products and service
- (4) Considering both positive and negative impacts on communities
- (5) Considering human rights, including taking care of business partners' employees
- (6) Business partners' capacity and potential to manage rules, regulations, and guidelines for mutual operational approaches.

CPN set the mutual operational guidelines and principles in its Guidelines for Supply Chain Management and Code of Conduct for Suppliers. (For more information, please visit www.cpn.co.th/sustainability)

A screening process is required before the contractor is invited to bid in each project/job or pre-qualification.

The screening criteria are (1) Each company's credibility and financial management caliber, (2) Technical and technological innovation, and (3) Management and consideration for impacts on environmental safety, occupational health, and quality of work.

Complying with the standards and regulations of safety, occupational health and environment in employment contracts,

especially in development and construction:

- A safety check plan must be established for construction workers, which covers employee development - provision of training, assistance, and first aid, with regular review and improvement.
- All contractors must arrange life insurance for their workers in case of death while on duty, which is beyond the requirements of Thai laws.
- Concerning human rights, it is clearly stated in contracts that the use of child labor and forced labor is prohibited. Migrant workers must have work permits and be given fair wages.

- Proper facilities must be provided for workers, such as toilets, shower rooms, wash areas, food shelters, welfare groceries, childcare rooms, and accommodation.
- Concerning community impacts, CPN specifies in its contracts that contractors must survey and look after the neighborhood around each construction site to minimize impacts and must take corrective actions should there be any valid complaint about the project's work.

Developing suppliers into business partners,

especially suppliers in local and provincial areas where CPN develops projects. CPN builds their capacity through various aspects, such as project-specific business planning, execution, follow-up during handover, training, coaching, and the sustainability development approach.

Assessing suppliers in following aspects:

- Governance: To ensure fairness, the top-ranking executives of each business group related to procurement review and assess suppliers to avoid monopolies and manage their delivery risks.
- Operations: Responsible departments randomly assess operations and use the outcome as a reference for registering manufacturers/contractors under the procurement policy and considering if the status of those manufacturers/contractors should be retained next year.
- Safety, sanitation, and human rights violation: It is clearly stated in the mutual agreement that the contractor must station safety officers to guard construction sites while outside safety consultants certified with ISO 9001 are hired for inspection in addition to weekly inspection by CPN's project manager. CPN clearly specifies penalty for any contractors who neglects or violates the Safety Evaluation Checklist and Discipline/Order.
- Satisfaction: CPN formally and informally conducts both annual and project-specific supplier opinion survey on collaboration with CPN. It will use these opinions, combined with recommendations received through suppliers' comments, opinions, and participation (as shown in Table on page 66-69), as fundamental information to further develop and improve the efficiency of supply chain management.

Annual spending analysis and supplier risk assessment at corporate level

are conducted in three aspects: (1) spending value that exceeds one million baht, (2) importance of suppliers to CPN's operations, and (3) suppliers' characteristics and qualifications, such as monopolizing the market or being the single expert in the market. This information will define the cost reduction plan. It will also be used to analyze, compare, and select technologies and products worth the investment and formulate supplier development strategies for next year.

"To ensure an effective, fair procurement process and supply chain management, CPN established an e-bidding system and double-step bidding mechanisms, consisting of 1) technical bidding and 2) bidding related to value of investment, which are completely separate. CPN also conducts supplier risk assessment to prevent potential risks to its business and reputation."

ROLES AND RESPONSIBILITIES

The Senior Executive Vice President of Business Development and Project Construction oversees supply chain management of project development and construction, while the Senior Executive Vice President of Finance, Accounting, and Risk Management is in charge of corporate and asset management. They supervise cross-functional teams to jointly consider, screen, and assess suppliers with a combined view on innovation, techniques, expertise, and value of investment.

The cross-functional team comprising the corporate risk management team and the department directly is responsible for assessing supplier risks that may affect CPN. This covers risk assessment of key interconnected processes.

PERFORMANCE



SD Mission 9: Encouraging Responsible Supply Chain

9.1 Sustainable Development in Supply Chain and Suppliers' Practice

In 2016, CPN arranged the CPN Code of Conduct for Suppliers as a guideline for suppliers in conducting business with CPN. The Code refers to related national, regional, and international practices, rules, and regulations, such as the Labor Protection Act, United Nations Global Compact (UNGC) Universal Declaration of Human Rights (UDHR), International Labour Standards (ILO), and principles of corporate governance and business conduct with social, economic, and environmental responsibility. This will concretely sustain the business throughout the supply chain. (For further information, please visit www.cpn.co.th/sustainability)

Moreover, CPN developed supplier-screening process with an addition in dimension of corporate governance, safety, and environmental conservation to make it clearer and broader, via using a Contractor Pre-Qualification assessment form.

9.2 Communicating the Supply Chain Management

To declare the intention of concretely supporting and promoting suppliers, CPN announced a supply chain management policy as part of the corporate governance policy under Stakeholders' Roles. It treats suppliers fairly and considers mutual benefits. This policy covers strategies of supply chain management, screening processes, transparent operations, fair evaluation that is legally conducted, and social responsibility. It is set as the duty for every employee to look after.

Furthermore, CPN hosts an annual Supplier Information Meeting to declare its intention, policies, commitment to sustainable development, and the Code of Conduct for Suppliers, with more than 300 major suppliers attending. CPN invited suppliers to join CAC (Private Sector Collective Action Coalition against Corruption) and surveyed their opinions and recommendations to further develop joint operations.

9.3 Supplier Risk Assessment

In 2016, CPN conducted supplier risk assessment and formulated measures to manage risks throughout the supply chain. The major steps included: (1) Defining key processes and major manufacturers/contractors, with procurement values, significance of products and services, and the number of manufacturers/contractors available in the market as selection criteria, (2) Assessing risks of product and service delivery in economic, social, and environmental aspects, which can separate key processes that may cause risks and negative impacts on

communities, and (3) Formulating risk management measures to reduce the probability or mitigate impacts.

The year 2016 spending analysis conducted with more than 7,000 active suppliers revealed that the top 90 suppliers in procurement values represented 70% of CPN's total procurement and employment expenses. More than 40% of these expenses were incurred during the project design and development phase, which represents CPN's key operation costs, while 25% were energy purchase for daily operation and management of shopping centers.

Topics	2016 Performance Outcomes	2017 Plans
Supplier management	<ul style="list-style-type: none"> • 224 suppliers and contractors passed pre-qualification assessment in economic, social, and environmental aspects. • Prepared and announced the Supplier's Code of Conduct manual to 300 suppliers for their acknowledgment and compliance in line with CPN's practices • There was one critical accident with a contractor during project construction and renovation in 2016. • No complaint of human rights violation, illegal workers, or actions that impacted communities and environment was found in CPN's construction or renovation projects in 2016. • In 2016, the number of projects using the e-procurement process decreased 5% from the previous year partly due to the decrease in the number of projects. The cost management efficiency improved 10% compared to previous year. 	<ul style="list-style-type: none"> • Follow up the efficiency and effectiveness of risk management measures and review the method of supplier risk assessment • Expand the scope of implementation by educating more than 50% of major suppliers on the Supplier's Code of Conduct. • Applying the screening framework for new suppliers to annual assessment of current suppliers
Supplier development	<ul style="list-style-type: none"> • Held an Annual Supplier Information Meeting 2016, with attendance of 207 suppliers. Their satisfaction score more than 90% of the suppliers recognized the importance of safety and loss prevention, transparency, and good governance. These key factors are advised to consider for mutual business conduct. 	<ul style="list-style-type: none"> • Leverage on the Annual Supplier Information Meeting by increasing suppliers' participation, including formulation of a concrete supplier development plan.



BEING A CREDITABLE/TRUSTWORTHY ORGANIZATION

CPN promotes corporate governance as its organizational culture, which every staff should comply with. The principle is implemented via the following process:

MANAGEMENT APPROACH

Enforcement

The Code of Conduct and Corporate Governance Policy form part of the disciplinary practices that all employees must comply with. In case of violation, the person in question must be investigated and receive disciplinary penalty based on CPN regulations, which may include termination of employment. Moreover, legal action may be taken for violation of law.

Reinforcement

Executives and management act as role models who educate employees and stakeholders via internal and external communication channels, such as VDO, bulletin boards, staff meetings, and supplier meetings. Furthermore, the corporate newsletter is published (ADMIRE Newsletter and ADMIRE Plus) to duly communicate with these groups.

Assessment and Audit

CPN issued the Corporate Governance Individual Assessment form as a mechanism to assess employees' understanding and compliance with the code of conduct and practices. The outcome is used to address areas of improvement. Moreover, the behaviors that comply with CPN's corporate governance principle are also included in one of criteria for mid-year assessment on employee behavior.

In addition to this form, CPN gathered comments and recommendations from communication channels and participation of stakeholders, especially shareholders and suppliers (for more details, see page xx) as a reference for evaluation.

ROLES AND RESPONSIBILITIES

The Board of Directors and the Audit Committee are in charge of overall governance, with the CG-SD Committee reviewing the policies as well as driving, following up, and evaluating the related processes.

Supervisors at every level communicate, support, and encourage staff to abide by corporate governance principles to ensure that everything goes as planned. The Organizational Development Department and the Company Secretary Office coordinate with related departments to communicate the Code and Corporate Governance policy via suitable communication channels.



SD Mission 10: Acting on Good Governance and Transparency

Details of Corporate Governance in pages 139.

SUSTAINABLE DEVELOPMENT REPORTING APPROACH

CPN Sustainability Report (SD Reporting part) follows the guidelines specified in the Global Reporting Initiative (GRI:G4) in accordance to core, reporting framework of International Integrated Reporting Committee (IIRC), ISO 26000:201 Guidance on Social Responsibility, together with 10 principles of United Nations Global Compact (UNGC) as shown on page 312.

This report consists of CPN's business strategies, management structure, operations, and domestic and international performance in economic, social, and environmental aspects. It also incorporates implementation under UNGC framework and sets goals for sustainable development in line with UN Sustainable Development Goals.

Scope of Report

This report covers the performances of CPN and subsidiaries in Thailand and overseas, in line with CPN's financial report from the period of January 1 to December 31, 2016. The report includes the performance progress and outcomes in economic, social, and environmental dimensions classified by 10 SD missions as aligned to the sustainable strategies and stakeholder engagement. The scope of the report covers business performance and sustainable development of 30 shopping centers and related supporting businesses under CPN's management nationwide as reported in the Nature of Business on page 42. However, SD Mission 8, under the Environmental Impact Management on page 106, covers 29 shopping centers nationwide, excluding a newly launched shopping center in mid-2016, that is, CentralPlaza Nakhon Si Thammarat.

CPN's implementation of sustainable development values the engagement of all stakeholders, namely shareholders, tenant shops, customers, business partners, creditors, employees, business competitors, society, communities and the environment, government, independent organizations and related social organizations. The contents and details in this report disclose the performance outcomes of CPN and its subsidiaries and associates (whose 50% shares are held by CPN or where CPN can exercise management authority), including the companies that need to disclose information.

Report Quality Control

The Division of Business Sustainability Development, Department of Excellence and Sustainable Development, is the focal point that controls the report quality to ensure its completion and accuracy. The working team is responsible for preparing the annual report made for dissemination.

Additional Information on SD Report

Should there be any questions or inquiries concerning the sustainability management, please contact:

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RISK FACTORS

CPN is committed to sustainable management of business risks and promotion of risk management as part of its value-added culture. It regularly conducts comprehensive analysis of internal and external risk factors and assesses the probability and potential impacts, directly and indirectly, of each risk on business operation. Assessment results are used in formulating concrete response programs and appropriate risk management measures for the prevention, supervision and control to reduce impacts to an acceptable level. Below are the key risks facing CPN:

1 STRATEGIC RISK

Based on the vision of becoming the most admired and dynamic regional and retail property developer with world-class rewarding experience, CPN plans to continually expand its business in Bangkok and its vicinity, major economic cities in prime provinces and foreign countries, especially in Southeast Asia. The expansion plan encompasses the development of new shopping complexes, renovation of existing shopping complexes and business acquisitions. Recognizing the potential of mixed-use project development, it is engaging in a new business of developing residential condominium projects to add value to shopping complexes. The risks that are associated with CPN's business strategies comprise:

1.1 Economic and Political Risks

The Thai economy recovered at a gradual pace in 2016, with a clearly improved political situation driven mainly by public stimulus measures and the tourism industry while consumers' spending and consumption remained cautious. CPN's branch expansion policy was geared to correspond with these factors by launching only one shopping complex this year in Nakhon Si Thammarat province, focusing on renovating existing malls to address consumers' changing needs and enhancing asset value to support its long-term business expansion plan.

CPN also monitored tenants' performance and had in place assistance measures for tenants in the shopping complexes affected by the subdued economy. These measures include

collaborative development of marketing plans with tenants in organizing joint promotional activities with other business partners, such as credit cards and The 1 Card, and the organization of signature events to attract customers. CPN's tenant service team maintains close relationship with tenants to listen to their problems and recommendations, offer guidance and jointly identify ways to develop their capacities and competitiveness, enabling them to grow along with CPN's shopping complexes in the long term. Assured by these measures, CPN rates its economic and political risks medium.

1.2 Competitiveness Sustainability Risk

The overall retail business remains highly competitive, with existing operators and newcomers constantly launching new malls and renovating their existing ones, especially those locating in prime suburban areas of Bangkok and major tourism or economic provinces, such as Phuket and Nakhon Ratchasima. Consumers' changing lifestyles and technological progress also pose additional challenges with growing online shopping, which complements the new generation's lifestyle with advantageous pricing strategies. Each retail business operator must therefore adapt themselves and change their strategies to stay abreast of the changing business environment.

Before investing in each development or renovation project, CPN manages these risks by undertaking comprehensive market surveys and analyses, competitor analyses and feasibility studies, taking into account all internal and external factors. The results are then used in identifying the appropriate mall format and merchandising mix that respond to consumers' needs.

In 2016, the emphasis of CPN's shopping complex development and renovation projects were uniqueness and innovation, taking into consideration the universal and environment-friendly designs, energy efficiency and customers' satisfaction. The new concept of Lifestyle Innovation is applied to offer customers with new unique experiences, for example, creating a co-working space or "Think Space" for ones to co-create new ideas of work and learning or allocating a Pet Park area for pet lovers to bring their pets with them to CentralFestival EastVille.

Moreover, CPN has developed a number of services to enhance customers' convenience, for example, free Wi-Fi services are offered to tourists at CentralWorld; a government center is established to provide public one-stop services at CentralPlaza WestGate.

After the launch of a new shopping complex, measures are in place to closely monitor its operation to ensure customers' satisfaction and good performance of tenants. Given these measures, CPN rates its competitiveness sustainability risk low to medium.

1.3 Domestic Investment Risk

1.3.1 Besides requiring substantial investment, the development of a new shopping complex consists of crucial steps, such as project planning & design and land acquisition, which are vital factors for the long-term operation of shopping complexes. It has therefore formulated a new risk management measures for the planning and designing of new shopping complexes by conducting studies and surveys on key data, such as targeted customer groups, targeted tenants, direct and indirect competitors, and other essential marketing information. The next step is to analyze the data to determine such investment's feasibility for submission to the committee of experts at the manager and management levels. Both committees then jointly investigate the project's feasibility and identify the shopping complex's marketing positioning and winning strategy before the commencement of design and construction work.

Many property developers are currently competing to acquire land, especially that located in prime areas. CPN therefore conducts studies and research to identify outstanding locations, acquires land plots before the areas become urbanized and purchases large plots of land. Besides increasing its bargaining power in land acquisition, these measures support CPN's future business expansion toward mixed-use project development, which combines shopping centers, office buildings, hotels and residential areas.

After the launch of each shopping complex, CPN undertakes periodical monitoring of its performance, such as the number of customers, occupancy rates and rates of return against targets on biannual and annual basis, to review its achievement. Regarding shopping complexes that perform below targets, the Property Management Team will be responsible for conducting analysis and submitting appropriate solutions. With these measures in place, CPN rates its domestic investment risks low.

1.3.2 CPN has appointed a special project unit to manage the risk of business expansion toward mixed-use development by developing residential condominiums within operating shopping complexes' areas without prior experience in the development of condominium project, while the property sector was highly competitive, with excess supply in some locations. Consisting of the management and personnel who are experienced and skillful in the management of residential projects, this unit is responsible for project study, design and management, by submitting the results of project feasibility studies to the committee of experts for approval, using stringent consideration criteria similar to those required for the approval of new mall projects. The concept of every project must be unique and different from competitors, with a focus on outstanding location adjoining a shopping complex, with modern and energy-saving design, catering to the new generation's lifestyles and offering full facilities for the convenience of occupants. CPN's first batch of three condominium projects in Chiangmai, Rayong and Khonkaen was opened for booking last year and is currently fully booked by targeted customers. Thanks to these measures and the condominium projects' excellent booking result, CPN rates the risks in this area low to medium.

1.4 Foreign Investment Risk

Aspiring to be a regional retail property developer, CPN has expanded its investment to the Southeast Asian region to supplement its existing businesses and enhance opportunities for long-term growth. Currently, it is developing its first project in Malaysia and undertaking feasibility studies for investment in other prospective countries, such as Vietnam and Indonesia.

In supporting its foreign expansion strategy, CPN has revised its management structure by appointing a dedicated unit to take responsibility for projects abroad and perform the duties of conducting studies and research on various aspects, for example, customers, competitors, marketing, social environment, culture and relevant laws; applying useful knowledge and information from subsidiaries of Central Group to analyze the feasibility and returns on investment; and submitting the analysis results to the committee of experts for consideration before making decision on investment.

Furthermore, CPN has approached business allies with competency and experience in shopping mall projects allies in each targeted country, to jointly develop businesses and strengthen each other's operation. The Central i-City in Malaysia, due to be launched in 2018, for example, is a joint venture between CPN and a subsidiary of Malaysia's I-Berhad, an eminent property development company listed on Malaysia's Bursa Stock Exchange. The joint venture has been set up to invest in shopping mall development as part of mixed-use projects, incorporating office space, hotel and residential areas. By maintaining constant monitoring on the development of this project, CPN is capable of formulating risk response plans and promptly solve potential problems. As a consequence of these risk management measures, CPN rates its foreign investment risk medium.

2 OPERATIONAL RISK

2.1 Risks in Retaining and Recruiting Competent Personnel

Human resources are vital factors for corporate success. The objectives of CPN's human resource management are to ensure that CPN maintains adequate manpower to support its business expansion; personnel are competent in their respective areas of responsibility, contented with their tasks and willing to constantly dedicate their efforts and deliver good performance. CPN manages this risk through the following measures:

- Appointment of the People Development Committee (PDC) at corporate and working-unit levels to supervise and monitor the manpower of all working units. CPN is able to retain personnel for a longer period than recruiting outsiders because of the policy implemented in the previous year to recruit competent personnel from Central Group's companies with correlated business-operation characteristics and corporate culture.
- Identification of key positions requiring preparation for successors in each working unit, to ensure that the retirement or resignation of any employee holding a key position will not disrupt the unit's operation.
- Personnel retention through the organization of activities to continually strengthen cordial relationships between employees and CPN, such as new employee orientation, New Year's Greeting, Communication Day, CPN Volunteer, Family Day and Sports Day activities, with an Employee Opinion Survey (Power Of Voice) undertaken annually to use the results and other recommendations for the improvement of work processes and work environment.
- Developing competency for personnel through concrete methods, such as appropriate career path planning and Individual Development Plans, including more joint efforts with Central Group in the development of personnel, such as joint development of training courses and continual sharing of knowledge and experiences among affiliated companies.

Due to the above-mentioned measures, CPN rates the risk in this area medium.

2.2 Information Management Risk

CPN values the management of information to be correct, reliable and up-to-date information as well as the safety and disclosure of information. Preventive and management measures are in place to deal with cyber-crime risks, arising from cyber-attacks from external sources, which are currently on the rise, or from CPN's employees. Besides implementing the Data Confidentiality Management project to screen and determine the specific rights of authorized persons in accessing, processing and disseminating information, CPN incessantly invests to modernize its hardware and software to deal with new forms of cyber-crimes and prevent unauthorized access to information. Consequently, CPN rates its information management risk medium.

3 COMPLIANCE RISK

CPN strictly observes relevant laws and regulations to ensure a correct, reliable and transparent conduct of its operations, with fairness to all parties. Followings are potential compliance risks:

3.1 Compliance Risk Concerning Environmental and Safety Laws

Under CPN's sustainability policy, which emphasizes environmentally friendly development and management of shopping complexes to forge a safe atmosphere, the management system on safety and environmental standards is applied as guidelines to ensure that related units strictly observe CPN's policies and applicable laws, with preparation for future laws. Outside experts were hired to review and provide recommendations to further ensure that CPN's practices are correct and appropriate. Consequently, CPN rates the risk in this area low.

3.2 Risks Arising from Corrupt Practices

Committed to operating its business sustainably, CPN focuses on good corporate governance and an effective internal control system. Besides specifying a clear anti-corruption policy and enforcing strict compliance, CPN has joined the Collective Action Coalition Against Corruption (CAC) and received endorsement as having formulated a company anti-corruption policy that fully conforms to CAC's criteria. CPN also prepares and communicates the Code of Conduct to suppliers and contractors to emphasize its standpoint. (see details in the SD section page 115)

In prohibiting and managing risks arising from corrupt practices, CPN has set up measures to control and monitor key work processes that are at risk of corrupt practices, with an Internal Audit team conducting risk assessment and spot-checking to reaffirm the correctness, honesty and transparency of these processes, along with prohibiting risky behavior. Communication channels are also opened for stakeholders and whistleblowers to voice their complaints or recommendations directly to the Audit Committee or the President. A committee will be appointed to consider and investigate complaints through a systematic, transparent and accountable process to ensure confidence and trust in its fair investigation process for all related parties. CPN therefore rates the risk in this area medium.

4 FINANCIAL RISK

In implementing its policy of constant business growth via domestic and overseas branch expansion, together with fulfilling its objectives of becoming the most admired retail developer of all stakeholders, the financial risks include the following.

4.1 Liquidity Risk

CPN implements a prudent monetary policy regarding capital expenditure. Comprehensive investment analysis is undertaken for each project so that only high-potential projects are submitted to the Investment Committee for meticulous consideration and approval. Regarding the sources of fund, CPN maintains its capital structure with a low debt-to-equity ratio (up to 1) and also applies appropriate financial instruments in sourcing capital, such as the preparation to use a real-estate investment trust (REIT) as an alternative funding source.

After its commercial launch, CPN constantly assesses the returns of each project and modifies strategies, so that the project would achieve its targeted returns. These measures contribute to reducing financial risk and enabling CPN to maintain a robust financial status, thus increasing CPN's flexibility in sourcing sufficient funds for future business expansion at appropriate level of finance costs and rate of return on investment. CPN consequently rates its liquidity risk low.

4.2 Credit Risk

CPN's credit-risk prevention policies are 1) to collect advance rents from tenants, 2) to terminate leases for tenants whose rents are outstanding for over 90 days and accelerate coordination to negotiate and find problem solution with them, and 3) to closely follow up debt collection so that most tenants pay their rents in time. In case of overdue payments, related units will cooperate to effectively deal with the default payment. Allowance for doubtful accounts in previous year was below 0.1% of its revenue, so CPN rates its credit risks low.

4.3 Foreign Exchange Risk

CPN considers the application of forward-exchange contracts to hedge foreign-currency risks of its financial assets and liabilities denominated in foreign currencies. Besides, CPN mostly raises funds dominated in Thai Baht from domestic funding sources, thus naturally reducing this risk. CPN therefore rates its foreign exchange risk low.

4.4 Interest Rate Risk

Interest rate risk arising from the market movement of interest rate in the future affects the results of CPN's operations and its cash flows. To efficiently manage and reduce these risks, CPN has a policy that its debt securities and borrowings are mainly at fixed interest rates. CPN therefore rates its interest rate risk low.

5 HAZARD RISK

CPN's core business connects with properties and diverse groups of stakeholders, for example, customers who purchase products and services, tenants and surrounding communities. These groups highly expect that CPN's operation will ensure their safety. CPN therefore recognizes and commits itself to conducting risk management for safety from dangerous threats, which include:

5.1 Natural Disaster Risk

Global warming is causing increased recurrence of abrupt changes in weather conditions with severe impacts. Last year Thailand also experienced drought, flash floods, earthquakes and thunderstorms. Natural disasters therefore pose major risks to CPN's properties and services.

CPN requires each shopping complex to assess its natural-disaster risks because natural disasters vary in different areas. For example, the North is more prone to thunderstorms, hail storms and earthquakes, while flash floods and monsoons are more common in the South. CPN also put in place risk mitigation measures, such as the requirement to constantly inspect the strength of buildings and facilities, together with the preparation of mitigation actions and tools. The latter includes dredging of drainage passages, adding water pumps at flood-prone shopping complexes, finding alternative water sources to alleviate drought and inviting experts in building structure to assess earthquake impacts and provide recommendations on how to handle future incidents. CPN also reviews and prepares a crisis management plan to cover more scenarios, with regular drills to ensure personnel's crisis preparedness.

The statistics of natural disasters and their outcomes are systematically monitored and collected as incident cases for analysis to improve response plans and the management of these plans before reporting to the Risk Management Committee for acknowledgment and consideration. CPN rates its natural disaster risks medium to high in some geographical areas, for example, the risk of earthquake is high in the North.

5.2 Risk Arising from Unrest

Incidents of unrest or terrorism currently pose critical threats to the international communities. Recognizing such threats, CPN undertakes the following risk management measures:

- 1) Coordinate and monitor information provided by government agencies or relevant bodies for an accurate and timely assessment of each situation. The color-code system, which indicates the severity of situation on a real-time basis, is utilized to communicate with relevant parties for proper preparation and responses under specified guidelines.
- 2) Provide relevant employees with knowledge and training to be alert and capable of observing unsafe incidents, with regular conduct of crisis response drills.

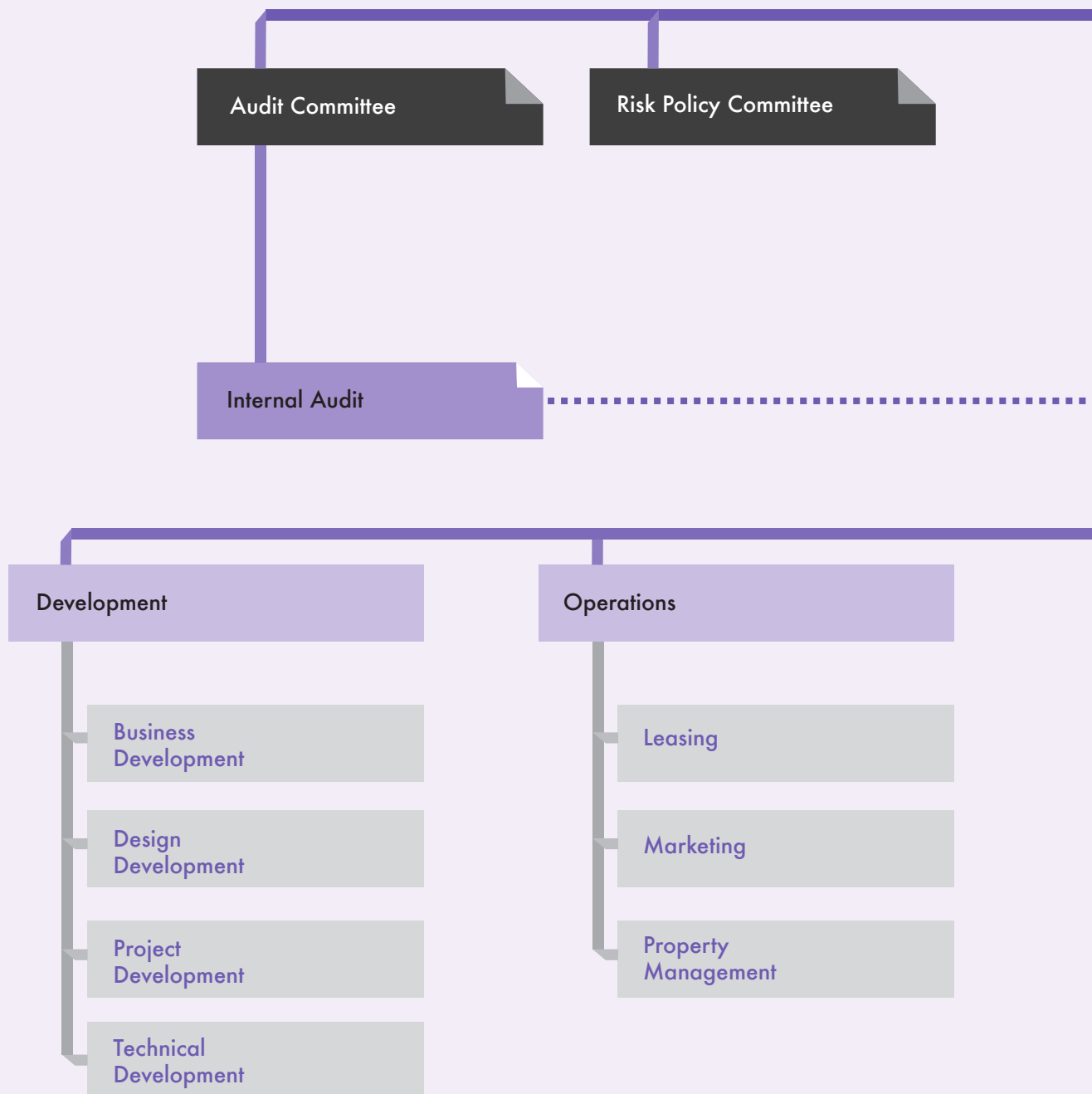
- 3) Install an adequate number of modern safety equipment, such as CCTV cameras, which provide detailed recording of incidents and contribute to suppressing unrest incidents.

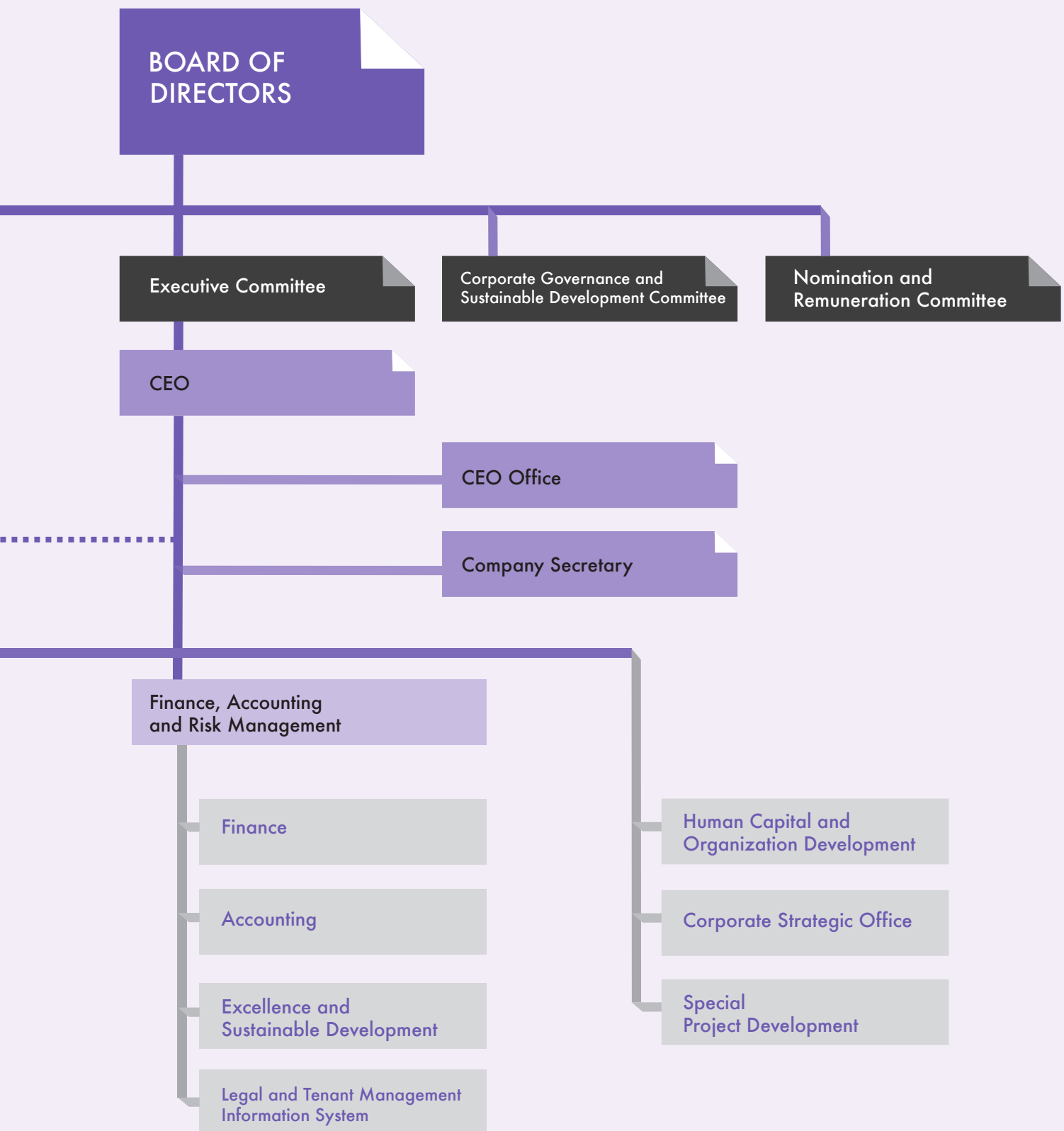
CPN rates this risk medium to high in some areas, such as the Southern region.

5.3 Other Crisis Risks

Recognizing the importance of business continuity management, CPN's Business Continuity Management Committee (BCM Committee), chaired by the President, is responsible for establishing policies and supervising formulation of business continuity plans, together with regular business continuity drills. Last year, the BCM Committee simulated a crisis situation which prevented employees involved in CPN's key processes from entering the Head Office and forced them to perform their duties at an alternate site. After completing this exercise, the drill team analyzed problems and summarized recommendations to enhance the efficiency of Head Office's business continuity management process. Business continuity management drills and reviews will also be undertaken at all branches nationwide.

ORGANIZATION CHART





MANAGEMENT STRUCTURE

CPN's Management Structure comprises of the following:

1. Board of Directors
2. Four Sub-Committees
 - 2.1 Audit Committee
 - 2.2 Nomination and Remuneration Committee
 - 2.3 Risk Policy Committee
 - 2.4 Corporate Governance and Sustainable Development Committee
3. Executive Committee
4. Management Committee

Details of each Board Committee are as follows:

BOARD OF DIRECTORS

The Board of Directors comprises directors who are knowledgeable and experienced in diverse fields relevant to CPN's business. This year, CPN was honored to welcome Dr. Supachai Panitchpakdi as Honorary Chairman to provide advice and recommendations for its business operation.

The Board of Directors consists of 12 directors, as follows:

- Four independent directors or equivalent one-third of the Board of Directors
- The Chairman of the Board represents the shareholders, and is a different person from the President & CEO, in order to have complete separation of responsibilities as well as a balance of power in operations
- 11 non-executive directors and one executive director.

The names and positions of the members of the Board of Directors are as follows:

Honorary Chairman

Dr. Supachai Panitchpakdi ¹

Board of Directors

- | | |
|---|----------------------|
| 1. Mr. Suthichai Chirathivat ² | Chairman |
| 2. Mr. Paitoon Taveebhol | Independent Director |

- | | |
|--|----------------------|
| 3. Mr. Karun Kittisataporn | Independent Director |
| 4. Mrs. Jotika Savanananda | Independent Director |
| 5. Mr. Veravat Chutichetpong ³ | Independent Director |
| 6. Mr. Suthikiati Chirathivat ² | Director |
| 7. Mr. Suthichart Chirathivat ⁴ | Director |
| 8. Mr. Sudhisak Chirathivat ² | Director |
| 9. Mr. Sudhitham Chirathivat ² | Director |
| 10. Mr. Kobchai Chirathivat ² | Director |
| 11. Mr. Prin Chirathivat ² | Director |
| 12. Mr. Preecha Ekkunagul | Director |

Note :

¹ Taking the position on September 1, 2015

² Representatives of the shareholders

³ The appointment was approved at the AGM on April 21, 2016

⁴ Tendering the resignation with effect from January 30, 2017

Directors with company signatory rights

Directors with company signatory rights are Mr. Sudhitham Chirathivat, Mr. Prin Chirathivat, Mr. Kobchai Chirathivat, and Mr. Preecha Ekkunagul. The joint signatures of any two of these four directors with the Company seal are required for validity. In case of filing taxes or submitting financial statements to the government agencies, a signature of any of the aforementioned director with the company seal is required.

Composition and qualifications of the Board of Directors

- 1) The Board of Directors consists of at least five directors, three or more of whom must be independent directors, equivalent to no less than one-third of the Board. At least half of the directors must reside in the Kingdom.
- 2) Directors must be fully qualified and not be under any of the prohibitions prescribed in the Public Limited Company Act, the Securities and Exchange Act, the Capital Market Supervisory Board's announcements, the Securities and Exchange Commission's regulations, CPN's articles of association, corporate governance principles and relevant regulations. In addition, directors must not possess any distrustful characteristic unsuitable for CPN's management position.

- 3) Directors must be honest, ethical, knowledgeable and experienced in diverse fields relevant to the conduct of business, capable of performing duties by dedicating sufficient time.
- 4) Directors may serve as directors of other companies, but such service must not affect their responsibilities for CPN. As a rule, a director should not serve in more than five SET-listed companies.
- 5) Directors must not, either for their own benefit or the benefit of others, engage in the management of another company that may harm CPN's interests or generate benefits for any person or juristic person.

Terms of Directorship

- 1) At every Annual General Meeting of Shareholders (AGM), one-third of the directors must retire. If the total number is not a multiple of three, the number closest to one-third must be used.
- 2) The names of the directors to retire during the first year and second year after CPN was registered are to be drawn by lots. For subsequent years, directors who have served the longest terms must retire. Retired directors may be re-elected to the Board.
Other than for completion of terms, a director may retire for the following reasons:
 - 2.1) death
 - 2.2) resignation
 - 2.3) lacking qualifications or having any prohibited characteristic prescribed by law or CPN's regulations
 - 2.4) the meeting of shareholders may pass a resolution to remove any director from office by a vote of no less than three-fourths of the number of eligible shareholders in attendance at the meeting, and the total number of such shares must be no less than half of the number of shares held by eligible shareholders in attendance
 - 2.5) court order
- 3) Directors who wish to resign must submit their resignation letters to CPN
- 4) To enhance their independent input and performances, independent directors may hold office for up to two

consecutive terms, extendable to up to nine years in total. This rule is not retroactive for independent directors who assumed their titles before directors' appointment in 2008.

The Board may consider extending the term of independent directors as deemed appropriate. In the year when any independent director is retired by rotation, the Board may propose such independent director to the annual general meeting of shareholders to consider the re-election of such independent director for another term.

Duties and responsibilities of the Board

- 1) Perform all duties in compliance with the law, Company objectives and articles of association, the Board of Directors' meeting resolutions and shareholders' meeting resolutions with duty of loyalty and duty of care, with accountability and ethics, keeping in mind the equitable interests of the shareholders
- 2) Define CPN's vision, strategies, plans, and its annual budget and continuously monitor its performance to ensure that the goals are achieved and potential difficulties are promptly dealt with
- 3) Approve significant transactions under its authority required by law and the articles of association, and approve capital expenditure budget exceeding 200 MB
- 4) Appoint sub committees to support the operation under its responsibility as seen appropriate and necessary, and regularly monitor their performance
- 5) Independent directors should exercise independent discretion in the formulation of strategies, management of work and resources, appointment of directors, and determination of business standards. They should also be prepared to disagree with the management and other directors on matters that may affect the equality of shareholders
- 6) Ensure that all relevant information is accurately disclosed to all shareholders and stakeholders alike with full transparency and reliability as well as on an equal and timely basis
- 7) Institute an efficient and effective internal control system and internal audit

- 8) Institute an efficient and appropriate risk management process that can be evaluated, monitored, and managed for key risks
- 9) Appoint a company secretary to oversee various Company activities and assist the Board and the Company in conforming to the law and applicable regulations
- 10) Institute a CPN code of conduct and ensure that the directors, executives, and all employees follow this code
- 11) Institute good corporate governance practices and ensure effective communication with all employees for acknowledgment and strict compliance
- 12) Institute a transparent and clear process for connected transactions
- 13) Institute clear processes for the Audit Committee's report to the board. In case of doubtful transactions or activities that could significantly affect the Company's financial status or performance, the Board must resolve the issue within the time limit seen fit by the Audit Committee
- 14) Formulate succession plans for top executives
- 15) Regularly review and update key policies and plans as seen suitable for the business environment
- 16) Revise and update Board of Directors Charter to ensure its timeliness
- 17) Seek professional business guidance by hiring outside advisers with CPN's budget
- 18) Perform other shareholder-assigned duties

Independent directors

Independent directors are those who have independence from the control of management and major shareholders and do not involve nor have any interest in management's decision. CPN has defined much stricter qualifications for independent directors than those required by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as follows:

- 1) Not holding more than 0.5% of the total outstanding voting shares of the Company, its parent company, subsidiary or affiliated company, major shareholders or controlling person including shares held by related persons of the independent director

- 2) Neither being nor having been an executive director, officer, employee, controlling person or advisor who receives a salary of the Company, its parent company, subsidiary, a same-level subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment
- 3) Not being a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children of executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries
- 4) Not having nor have had a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in a manner which may interfere with his or her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of appointment.

The term 'business relationship' under the above paragraph includes any normal business transaction, rental, or lease of immovable properties, transaction relating to assets or services, or grant or receipt of financial support through receiving or extending loans, guarantee, providing assets as collateral, including any other similar action whose value exceeds 20 MB or more than 3% of the net tangible assets, whichever is lower. The value of each transaction is based on the calculation method for the values of connected transactions under a Notification of the Board of Governors of SET Re: Disclosure of Information and Act of Listed Companies concerning Connected Transactions. Under the regulation, all transactions occurring within a year of preceding transactions must be included in such calculation.

- 5) Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person nor being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary,

affiliate, major shareholder or controlling person, unless the foregoing relationship ended not less than two years from the date of appointment

- 6) Neither being nor having been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and neither being nor having been a substantial shareholder, controlling person or partner of the professional advisor unless the foregoing relationship ended not less than two years from the date of appointment
- 7) Not being a director who has been appointed as representative of the Company's directors, major shareholders, or shareholders who are related to CPN's major shareholders
- 8) Not conducting any businesses which have the same nature as or in competition with the Company's or its subsidiaries or neither being a substantial partner, executive director, employee, officer or advisor who receives regular salary, shareholder holding more than 1% of the voting shares of businesses which have the same nature as or in competition with the Company or its subsidiaries
- 9) Not having any characteristics that could prevent him/her from giving independent opinions concerning CPN's operation

Independent directors may be assigned by the Board to make decisions regarding the operation of the Company, its parent company, subsidiaries, associated companies, a same-level subsidiary, major shareholders or controlling person in an organization's collective decision.

SUB - COMMITTEES

In conformance to corporate governance principles, the Board has appointed four sub-committees to help it fulfill its responsibilities, screen specific key operational aspects as assigned, give opinions to the Board and decide certain matters as authorized by the Board. Followings are the sub-committees' structures:

AUDIT COMMITTEE

The Board of Directors is responsible for the appointment of members of the Audit Committee, which consists of four members, comprising as follows:

- Four independent directors
- The first member on the list has adequate knowledge and experience in reviewing reliability of financial statements.

The names and positions of the members of the Audit Committee are as follows:

1. Mr. Paitoon Taveebhol	Chairman
2. Mr. Karun Kittisataporn	Member
3. Mrs. Jotika Savanananda	Member
4. Mr. Veravat Chutichetpong ¹	Member

Note :

¹ Taking the position on May 13, 2016

Duties and responsibilities of the Audit Committee

1. Review the financial report preparation process for accurate, complete, credible, and timely information disclosure by coordinating with the external auditor and executives responsible for preparing quarterly and annual reports
2. Review extraordinary significant items of the past year (if any) on the basis of their sensibility, impacts on the financial standing and company performance, as well as the accuracy and completeness of the data disclosed
3. Consider connected transactions which may cause conflicts of interest; ensure conformance to SET to ensure that they are reasonable and in CPN's best interests
4. Consider the accurate and complete disclosure of information in case of connected or related transactions or other transactions that may cause conflict of interest
5. Review the internal control system to ensure its suitability and effectiveness, including any transactions that may cause financial fraud

6. Consider the audit outcomes and suggestions of the external auditor and Internal Audit concerning internal controls and pass on suggestions for action by the management as well as following up the implementation of such suggestions
7. Review and ensure that Internal Audit is independent and has an efficient internal audit process, in addition to ensuring Internal Audit's access to essential data
8. Review the activities and structure of Internal Audit and approve its charter
9. Provide views on the appointment, removal, transfer, commendation or discharge, as well as adjustment of compensation of the head of the Internal Audit Office, to ensure its independence
10. Provide suggestions and remarks about the budget and manpower of Internal Audit for the management's approval
11. Review and endorse annual internal audit plans and changes subject to the assessment outcomes of enterprise risk management and Internal Audit's strategic plans
12. Review the internal audit plan with the head of the Internal Audit Office, especially about the internal control system and financial management process
13. Review audit plans and coordinate the scope of audit of internal auditor and the external auditor to be mutually supportive and eliminate redundancy
14. Review Internal Audit's performance outcomes against the Audit Committee-approved audit plans to ensure conformance to the Audit Committee-assigned framework of responsibility
15. Review the hiring of external experts to conduct internal audit if the internal auditor lacks essential skills or specialization needed to conduct internal audit, including IT aspects
16. Institute annual quality assurance reviews and external quality reviews at least every five years
17. Select, nominate, and propose fees for the external auditor for approval so as to obtain an independent auditor, taking into account the reliability, adequacy of resources, audit volume, the experience of the personnel assigned to audit the Company as well as past work. Also, consider the removal of the external auditor
18. Review the scope and method of auditing proposed by the external auditor as well as reasons for changing the auditing method (if any)
19. Provide suggestions to the external auditor to review certain transactions that may be necessary or important during the auditing process of CPN and subsidiary companies
20. Review the report of the external auditor and submit to the management for adjustments in practices as well as following up on such suggestions
21. Consider the adequacy and efficiency of coordination between the external auditor and Internal Audit
22. Act on received information from the external auditor as soon as possible regarding suspicious activities of directors, managers or persons responsible for operating CPN that may constitute a breach of the second paragraph of Section 281/2, Clause 2 Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313 of the Securities and Exchange Act. Promptly check the information received and report preliminary findings in the first instance to SEC and the external auditor within 30 days from the date when a given breach was reported
23. Review conformance by the Company to Securities and Exchange laws, SET requirements, or CPN business-related laws and ethics
24. Review the management's performance and follow up in case of nonconforming
25. Review issues identified by external regulators and remarks by auditor
26. Review the communication of Code of Ethics to the employees and monitor its conformance
27. Review progressed report from management and Company's legal advisor regarding key issues on conforming to the relevant laws and regulations
28. Report its performance for acknowledgement and consideration once every quarter
29. Review any reports prepared by the Company regarding duties and responsibilities of the Audit Committee
30. Prepare Audit Committee's annual performance report in accordance to SET's guideline and signed by the Chairman of the Audit Committee as well as disclose it in the Company's annual report
31. In case of any suspicious transactions or actions that may significantly affect the Company's financial status and performance, the Audit Committee shall report the findings

to the Board to make any improvement or correction in a timely manner as seen appropriate by the committee. Detailed are displayed below:

31.1 Transactions regarding conflict of interests

31.2 Transactions regarding frauds, irregularities or significant deficiencies in internal control system

31.3 Any violation of SEC's laws, rules of SET or laws relevant to the Company's business

32. In case the Board or the management fails to take corrective actions on those transactions under 31.1, 31.2, and 31.3 within the timeframe set by the audit committee, any of the Audit Committee members may report of such transactions or actions directly to SEC or SET

33. Review CPN's continual process of good corporate governance, as well as providing approaches and advices for development

34. Emphasize and promote good corporate governance as a regular agenda for the Board meetings and AGMs

35. Ensure that the Chairman of the Committee receives a copy of the report of the directors' vested interests from the Company Secretary under Article 89/14 of the Securities and Exchange Act within seven days of the date when CPN receives the report

36. Review CPN's risk management process to ensure standardization, effectiveness, and efficiency

37. Work with the management in considering key policies regarding risk management and risk assessment as well as risks from corruptions

38. Work with the Risk Management Committee, the Risk Management task force, and the management in considering, making recommendations, and updating reports on CPN's risk management

39. Conduct other Board-assigned duties

40. Regularly review the Audit Committee Charter on an annual basis in order to consider and assess its current assigned roles and responsibilities as well as to propose any required amendments accordingly

41. Conduct other duties assigned by SET

42. Oversee that there is an effective whistleblower system in place, in the event that an employee or any stakeholder is

suspicious of any possible wrongdoing, as well as non-compliance to any laws, regulations, business ethics, or to any corporate governance principles, so that the whistleblower has the confidence that the Company has the required and appropriate independent procedure to effectively investigate and resolve such possible wrongdoings and non-compliance issues

43. Monitor any special investigation as necessary

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors is responsible for the appointment of the members of the Nomination and Remuneration Committee, which consists of three members, comprising as follows:

- Two independent directors
- One non-executive director
- The Chairman is an independent director

The names and positions of the members of the Nomination and Remuneration Committee are as follows:

1. Mr. Karun Kittisataporn	Chairman
2. Mrs. Jotika Savanananda ¹	Member
3. Mr. Sudhitham Chirathivat	Member

Two advisors to the Committee are appointed as follows:

1. Mr. Sudhisak Chirathivat	Advisory
2. Mr. Prin Chirathivat	Advisory

Note :

¹ Taking the position on February 18, 2016

The advisors may attend the Nomination and Remuneration Committee meeting, however, they are not allowed to vote. Also, if any advisor has stakes in the reviewed agenda, such advisor shall leave the meeting to prevent conflict of interests and allow other committee members and advisors to fully discuss.

Duties and responsibilities of the Nomination

- 1) Consider the appropriate structure, size, and composition of the Board to suit the organization and changing environment
- 2) Ensure that Board structure comprises ethical and honest experts who are knowledgeable, experienced, and skillful in diverse fields relevant to the conduct of business. Furthermore, Board members are selected with non-discrimination of gender, race, religion, age, professional skill, or other qualifications
- 3) Consider the criteria for selecting directors, as well as select and nominate those persons qualified and appropriate to be considered by the Board of Directors before further submission to shareholders' meetings for appointment as directors
- 4) Consider the criteria for selecting President & CEO, as well as select and nominate those persons qualified and appropriate to be considered by the Board of Directors for appointment as President & CEO
- 5) Allow minority Shareholders the opportunity to propose qualified persons for selection as directors. This provided shareholders with enough time prior to shareholders' meetings being held
- 6) Formulate succession plans for President & CEO and senior executive position and review such plan on a regular basis
- 7) Consider appropriate strategies relating to human capital management and organization development to be implemented to ensure its consistency with the Company's business operations

Duties and responsibilities of the Remuneration

- 1) Consider a clear compensation method and standard for directors, members of the sub-committees, as well as that for the President & CEO, so that they are equitable and appropriately corresponds to the respective assigned duties and responsibilities, current business environment and performance results of the Company as well as will facilitate an effective discharge of their responsibilities. The proposed compensation plan should also be comparable to those of other companies within the same or similar industry and business sector as the Company, and also take into

consideration the overall increase to the total value of the shareholders equity in the long term

- 2) Consider the compensation for directors and propose it to the Board for endorsement and, in turn, tabling it for the approval of shareholders' meetings
- 3) Define goals and evaluate the performance of the President & CEO to set reasonable compensation

Other duties and responsibilities

- 1) If it is considered essential and suitable to do so, the Committee may appoint regular advisor(s) or hire project advisor(s), or both, to provide advice on the Committee's performance. As seen essential and suitable, NRC may decide on such advisors' fees at CPN's expenses
- 2) Revise and amend the Committee charter in line with prevailing circumstances and seeks Board approval
- 3) Perform other Board-assigned duties related to nomination and remuneration

RISK POLICY COMMITTEE

The Board of Directors is responsible for the appointment of the members of the Risk Policy Committee, which consists of four members, comprising as follows:

- Four directors
- The Chairman is an independent director

The names and positions of the members of the Risk Policy Committee are as follows:

1. Mr. Paitoon Taveebhol	Chairman
2. Mr. Kobchai Chirathivat	Member
3. Mr. Prin Chirathivat	Member
4. Mr. Preecha Ekkunagul	Member

Duties and responsibilities of the Risk Policy Committee

- 1) Acknowledge and provide recommendations on all risk management policies, strategies, structures and development frameworks at every corporate level

- 2) Assess the effectiveness of risk management established by the management
- 3) Review and endorse the manageable levels of risks and deviation acceptable by the Company
- 4) Review CPN's overall risk management in comparison with the manageable risks to CPN
- 5) Acknowledge the identified key risks and review the management's responsive actions
- 6) Participate in CPN's annual analysis of risk management strategies and provide recommendations
- 7) Provide directions and guidance for risk management supervision
- 8) Supervise the identification of performance goals and key risk KPIs
- 9) Acknowledge reports on the trends of corporate risks and ensure that CPN's strategies can effectively address identified risk issues
- 10) Ensure proper prioritization of CPN's actions based on immediate and long-term financial impacts on shareholders and operational quality
- 11) Report the committee's risk management activities to the Board every quarter
- 12) Perform other tasks as assigned by the Board

In addition, the management has appointed a risk management committee consisting of senior executives and the executives from each core department to steer and ensure that CPN's risk management is systematically conducted by an explicitly responsible unit and that all CPN units adhere and conform to such risk management practices, whether in strategic plan definition or in business performance.

CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT COMMITTEE

Corporate Governance and Sustainable Development Committee consists of 11 members:

The names and positions of the members of the Corporate Governance and Sustainable Development Committee are as follows:

1. Mr. Preecha Ekkunagul	Chairman
2. Ms. Wallaya Chirathivat	Member
3. Ms. Naparat Sriwanvit	Member
4. Mrs. Panida Sooksridakul	Member
5. Mrs. Ratana Anoontakaroon	Member
6. Major Narit Ratanaphichetchai	Member
7. Mrs. Narttaya Chirathivat	Member
8. Dr. Nattakit Tangpoonsinthana	Member
9. Mr. Chanavat Uahwatanasakul	Member
10. Mr. Chart Chirathivat	Member
11. Ms. Ploenpis Bunyanan	Member

Duties and responsibilities of the Corporate Governance and Sustainable Development Committee

- 1) Define and amend CPN's Code of Conduct and Corporate Governance Policy to ensure alignment with international guidelines before submission to the Board for approval
- 2) Define and revise corporate governance and sustainable development policies, regulations, and guidelines, together with promoting and providing recommendations on related programs and activities
- 3) Represent CPN in communicating corporate governance and sustainable development activities with directors, management, employees, and all stakeholders
- 4) Ensure accurate, comprehensive disclosure of CPN's corporate governance and sustainable development information via appropriate communication channels
- 5) Review and revise all components of the Corporate Governance and Sustainable Development Committee's duties and responsibilities to ensure alignment with corporate governance policy before submission to the Board for approval.

EXECUTIVE COMMITTEE

The Board of Directors is responsible for the appointment of members of the Executive Committee, which consists of a total of six members, comprising as follows:

The names and positions of the members of the Executive Committee are as follows:

1. Mr. Suthichai Chirathivat	Executive Chairman
2. Mr. Suthikiati Chirathivat	Member
3. Mr. Suthichart Chirathivat	Member
4. Mr. Sudhisak Chirathivat	Member
5. Mr. Sudhitham Chirathivat	Member
6. Mr. Prin Chirathivat	Member

Duties and responsibilities of the Executive Committee

- Screen the followings for the Board of Directors for approval:
 - CPN strategic plans
 - Annual budget estimates, based on CPN's strategic plans
 - Capital expenditure budget exceeding 200 MB
 - Activities and operations concerning mergers and acquisitions
 - Appointment of the President & CEO
- Monitor CPN's performance under the budget and goals
- Approve transactions with banks and financial institutions that constitute normal CPN's business
- Approve transactions with subsidiary companies and investment in securities as assigned by the Board of Directors
- Approve notary's rights and legal transactions concerning all CPN shopping centers and subsidiaries that constitute or support normal business
- Approve the participation in MOU (memorandum of understanding)-Joint-Venture Agreement under various investment projects and joint-venture agreement worth up to 200 MB in investment value
- Approve the establishment, increase or decrease in accounting reserves such as provisions for doubtful accounts, provisions

- for losses from depreciated investment, and provisions for losses during project development for up to 100 MB
- Approve the allocation of net income for legal reserve provisions
- Approve capital expenditure of up to 200 MB
- Be responsible for human resource management of senior executives
- Promote and motivate employees
- Approve other Board-assigned transactions on a case-by-case basis

MANAGEMENT COMMITTEE

The Management Committee consists of 12 members.

The names and positions of the members of the Management Committee are as follows:

- | | |
|---|----------|
| 1. Mr. Preecha Ekkunagul | Chairman |
| <i>President & CEO</i> | |
| 2. Mr. Suthipak Chirathivat | Member |
| <i>Senior Executive Vice President, Office of the President</i> | |
| 3. Ms. Wallaya Chirathivat | Member |
| <i>Senior Executive Vice President, Business Development and Project Construction</i> | |
| 4. Mr. Pakorn Partanapat ¹ | Member |
| <i>Senior Executive Vice President, Operation</i> | |
| 5. Ms. Naparat Sriwanvit | Member |
| <i>Senior Executive Vice President, Finance, Accounting and Risk Management</i> | |
| 6. Mrs. Panida Sooksridakul | Member |
| <i>Executive Vice President, Property Management</i> | |
| 7. Mrs. Ratana Anoontakaroon | Member |
| <i>Executive Vice President, Leasing</i> | |
| 8. Major Narit Ratanaphichetchai | Member |
| <i>Vice President, Project Development 1</i> | |
| 9. Mrs. Narttaya Chirathivat | Member |
| <i>Executive Vice President, Office of the President</i> | |
| 10. Flt.Lt. Kree Dejchai | Member |
| <i>Executive Vice President, Special Project Development</i> | |

11. Dr. Nattakit Tangpoonsinthana Member
Executive Vice President, Marketing
12. Mr. Chanavat Uahwatanasakul Member
Executive Vice President, Business Development

Note :

¹ Taking the position of the Company's management on January 3, 2017

Duties and responsibilities of the Management Committee

- 1) Prepare and propose strategic business plans
- 2) Prepare and propose annual budget estimates
- 3) Present operating expenditure over 50 MB
- 4) Nominate the President & CEO's direct reports

- 5) Consider the approval of various operations for the Board of Directors and the Executive Committee as assigned
 - 5.1 Bank and financial transactions that constitute normal business
 - 5.2 Transactions with subsidiary companies and investment in securities as assigned by the Board of Directors and the Executive Committee
 - 5.3 Action on notary's rights and legal transactions concerning all CPN shopping centers and subsidiaries that constitute or support normal business
 - 5.4 Approve capital expenditure of up to 50 MB
 - 5.5 Perform other transactions as may be assigned by the Board of Directors or the Executive Committee

Summary of the appointment of directors on sub-committees

Directors	Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Risk Policy Committee
1. Mr. Suthichai Chirathivat	C	-	-	-
2. Mr. Paitoon Taveebhol	M	C	-	C
3. Mr. Karun Kittisataporn	M	M	C	-
4. Mrs. Jotika Savanananda	M	M	M	-
5. Mr. Veravat Chutichetpong	M	M	-	-
6. Mr. Suthikiati Chirathivat	M	-	-	-
7. Mr. Suthichart Chirathivat	M	-	-	-
8. Mr. Sudhisak Chirathivat	M	-	A	-
9. Mr. Sudhitham Chirathivat	M	-	M	-
10. Mr. Kobchai Chirathivat	M	-	-	M
11. Mr. Prin Chirathivat	M	-	A	M
12. Mr. Preecha Ekkunagul	M	-	-	M

Note:

C - Chairman

M - Member

A - Advisory

COMPANY SECRETARY

The Board is responsible for appointing a person with appropriate knowledge and ability as Company Secretary, to be supported by the Company Secretary Office to effectively and efficiently carry out duties in accordance with the laws and corporate governance principles. Board Meeting No. 2/2016, held on February 17 this year, approved the appointment of Ms. Ampawee Chompoopongkasem, Assistant Vice President, Company Secretary Office, as the Company Secretary, to replace Ms. Napat Sriwanvit, effective May 1, 2016.

With a bachelor's degree in accounting from the Faculty of Business Administration, Kasetsart University, and a master's degree in managerial accounting from the Faculty of Commerce and Accountancy, Chulalongkorn University, Ms. Chompoopongkasem has accumulated extensive experience in company secretarial work with CPN since 2003. Besides taking part in ensuring corporate compliance with regulatory requirements, she participated in driving CPN's corporate governance practices in line with the national and international CG guidelines. In addition to the Corporate Secretary Development Program, Batch 9, organized jointly by the Faculty of Commerce and Accountancy, Chulalongkorn University, and the Thai Listed Companies Association, she has attended many training courses organized by the Thai Institute of Directors, including Anti-Corruption: The Practical Guide (ACPG 5/2013), Board Reporting Program (BRP4/2010), Board Performance Evaluation (CG Workshop 2/2007) and Developing Corporate Governance Policy (CG Workshop 1/2006).

Duties and responsibilities of the Company Secretary

- 1) Prepare and maintain all documents relating to the Company's statutory register of directors, Annual Reports, notices and minutes of the meetings of the Board of Directors as well as notices and minutes of the shareholders' meetings
- 2) Maintain and keep a record of vested interests as reported by directors and executives
- 3) Send copies reporting vested interests of directors and executives or related persons to the Chairman of the Audit Committee within seven days of the receipt of each report
- 4) Organize Board and shareholders' meetings according to rules and applicable laws
- 5) Provide advice to CPN and the Board of Directors in conformance to CPN's memorandum of association, articles of association, Securities and Exchange Act, Public Company Limited Act, and applicable laws
- 6) Act as the clearing house between the Board of Directors, executives, and the shareholders
- 7) Coordinate and follow up the Board's and shareholders' resolutions
- 8) Ensure that appropriate information disclosure and information reports are submitted to the regulators as required
- 9) Perform other duties as required by the regulations of the Capital Market Supervisory Board or as assigned by the Board of Directors
- 10) Prepare minutes of meetings of the Board and the shareholders

Legal Office is responsible for the verification of the minutes of meetings of the Board and shareholders, as well as monitoring and provision of advice to the Company and the Board of Directors, to ensure full compliance.

CORPORATE GOVERNANCE

The Company always values corporate governance, trusting that the achievement of sustainable growth will be realized through ethical, transparent and accountable business operation, with the Board of Directors serving as a role model in adhering to ethics and CPN's Corporate Governance (CG) Policy. The Company also regularly formulates and reviews its corporate governance and ethical policies, including operating guidelines, to give directions to its personnel.

Committed to incessantly running business with transparency, fairness and good corporate governance in conformance to both domestic and international CG principles, including those regulated by the Stock Exchange of Thailand (SET), the Thai Institute of Directors Association (IOD), the Organisation for Economic Co-operation and Development (OECD), ASEAN Corporate Governance Scorecard and DJSI Sustainability Assessment. Besides applying these rules as part of its ethics and policies, CPN has specified guidelines to ensure correct implementation leading to tangible outcomes.

CORPORATE GOVERNANCE PRINCIPLES

In ensuring personnel's conformance to its good corporate governance policy, the Company has defined six CG principles, namely:

- **Honesty and transparency**
- **Open-mindedness**
- **Equitable treatment**
- **Fairness**
- **Adherence to commitment**
- **Responsibility toward society**

CORPORATE GOVERNANCE POLICY

Below are the five sections of CPN's CG Policy:

1. RIGHTS OF SHAREHOLDERS

CPN takes the following measures to protect the rights of every shareholder:

- CPN ensures that shareholders will receive full returns from their investments by maintaining a straightforward structure of alliance among CPN, its affiliates, and joint ventures, with no joint-holding or cross-holding of shares. It also has no pyramid shareholding structure within the Group.
- CPN equitably provides shareholders, whether major or minor ones, foreign or institutional investors, with basic shareholding rights and right protection treatment, including the right to purchase, sell, and transfer shares; to receive clear and accurate information; to attend shareholders' meetings and vote on significant transactions; to elect or dismiss CPN's directors; to set the Board's compensation and remuneration; to appoint and dismiss external auditors and set their fees; to receive part of CPN's profit as dividends; and to participate in and be adequately informed on decisions about CPN's fundamental changes.
- Details about the exercise of these rights are distributed via SET community portal system, with due respect for the equitable and convenient access to information, as well as the right-exercising period. No action will be taken to limit shareholders' rights of access to CPN's information system or obstruct communication between shareholders.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

CPN observes the principle of affording equitable treatment to all shareholders without discrimination, whether major or minor ones, institutional or foreign investors. Practical guidelines to promote genuine equality include:

- CPN has put in place internal regulations to prevent abuse of inside information and conflicts of interest. Relevant details appear under "Control and Prevention of the Use of Inside Information" on page 153.
- Transactions with possible conflicts of interest must be submitted to the Audit Committee for their review and comments before submission to the Board and shareholders' meetings for approval, if applicable. CPN discloses complete, essential information under the law and regulations. Relevant details appear under "Monitoring of Conflicts of Interest" on page 153.

- Acting under the principles and guidelines on affording equal treatment to all shareholders during shareholders' meetings as detailed below:

2016 AGM:

CPN recognizes the importance of giving identical rights and affording equal treatment to all shareholders. Relevant guidelines have been adopted for actual actions (before, during and after meetings) for all shareholders' meetings.

The 2016 AGM was held on Thursday, April 21, 2016, at 14.00 hours at World Ballroom, 23rd floor, Centara Grand & Bangkok Convention Center at CentralWorld, 999/99 Rama 1 Road, Patumwan, Bangkok. A total of 1,405 shareholders personally attended or were represented by their proxies (equal to 75.48% of all shares issued) together with 8 (of the 12) directors (equal to 66.66% of the Board), which included the Chairman of the Board, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Risk Policy Committee, President & CEO, Chief Financial Officer, Company Secretary, and the external auditor. Details of the AGM proceedings are as follows:

Before the Meeting

- CPN provided minority shareholders with the right to propose in advance additional agenda items and nominate directors from September 30, 2015 to January 15, 2016. This included shareholders' rights to query meeting agenda before the meeting date by submitting their queries to the Company Secretary. Criteria for such consideration, which were agreed by the Board, can be viewed at CPN's website. However, in 2016, no shareholder proposed any name or agenda item for consideration.
- Meeting notices are in Thai and English. For the 2016 AGM, the meeting notice was posted on CPN's website on March 16, 2016, over 30 days ahead of the meeting date, and was distributed to shareholders no less than 21 days ahead. This provided shareholders with enough time to examine the information.

- In the meeting notice, CPN enclosed essential, adequate facts and rationales, as well as directors' comments on all items on the agenda for shareholders' consideration. The AGM agenda comprises:

- 1) Nomination of Directors: CPN provides basic information on candidates, including each one's name, age, type of directorship, position held in CPN, education, director training/seminar courses attended, experience, positions held in other or CPN's related businesses, date of being a director, number of years in each position, and participation in committees' meetings as member of such committees of the last three years, shareholding in CPN, and other information such as any conflict of interest incurred in the previous year.
- 2) Compensation: CPN provides information on the policy, amount, and form of compensation for each director's position and responsibility, criteria, and the procedures for determining compensation.
- 3) Appointment of External Auditors: CPN provides information on the names of auditors and their affiliations, auditors' independence, and the number of service years with the audit company for consideration of the suitability of the auditors' fee, presented separately from other fees.
- 4) Dividend Payment: CPN provides information on the dividend policy and dividend amount proposed for approval, in comparison with the amount paid in the previous year.

- There was no urgent, significant document distributed at the meeting, no added item, and no amendment made to material information without informing the shareholders in advance.
- CPN facilitates shareholders who cannot attend the meeting themselves by enclosing in the meeting notice Proxy Form B, on which they can state their voting preference, together with details about how to appoint a proxy to shareholders' meetings. Shareholders can download Proxy Forms A, B, and C from www.cpn.co.th. In addition, the names and profiles of the three independent directors are

provided for shareholders' voting by proxy. At the 2016 AGM, 641 shareholders appointed independent directors as their proxies. Details are as follows:

- 474 shareholders appointed Mr. Paitoon Taveebhol, Chairman of the Audit Committee.
- 70 shareholders appointed Mr. Karun Kittisataporn, Member of the Audit Committee.
- 97 shareholders appointed Mrs. Jotika Savanananda, Member of the Audit Committee.

During the Meeting

- CPN provided at least a three-hour registration period before the meeting. Barcode and computer systems eased registration and vote counting to speed up the process and ensure information accuracy and reliability.
- CPN provided shareholders with voting rights equivalent to the number of shares held. One share yields one vote. There was only one type of share, which was ordinary share.
- Shareholders were informed by CPN about the vote-tallying procedures before the shareholders' meeting.
- CPN introduced the use of ballots for casting votes. The ballots were prepared separately for each agenda item for shareholders' voting convenience.
- CPN provided shareholders with the rights to exercise their votes on the nomination of directors by electing them one by one.
- Participants were informed of the voting result for each agenda item and presented with the voting scores.
- CPN transparently conducted the AGM by following respective agenda items as stated in the meeting notice, in strict conformance to the law and CPN's regulations. Representatives from KPMG Phoomchai Audit Limited were invited to witness the vote counting.
- Shareholders were allowed to attend a meeting in progress and vote on remaining items.
- CPN allowed shareholders to freely express their views and raise their questions at the meeting. The Chairman of the Board, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, President & CEO,

executive management, and external auditor attended the meeting to clearly answer all aspects of shareholders' questions.

After the Meeting

- CPN submitted the resolutions of every shareholders' meeting through SET community portal system on the same day so that non-attending shareholders might be immediately informed.
- Shareholders could also view a webcast of the AGM via CPN's website or request a video recording of each meeting from the Company Secretary Office.
- The quality of minutes of shareholders' meeting was emphasized by recording the following information:
 - list of directors attending and in absence at the meeting, including their positions
 - voting rights and methods, including the use of ballots for casting votes
 - shareholders' queries and recommendations, including the explanation of directors or the management;
 - shareholders' meeting resolutions and voting tally on every agenda item that includes voting.
- Minutes of each shareholders' meeting were distributed in Thai and English through the Company's website within 14 days starting from the meeting date, with a copy sent to SET within the stated period.
- The resolutions of CPN's 2016 Annual General Meeting of Shareholders were provided on SET's website and disseminated via the Company's website on April 21, 2016, which was the meeting date.
- Shareholders' opinions on the organizing of shareholders' meeting were obtained through a satisfaction survey. The information acquired was then applied to improve the efficiency of future shareholders' meetings.

CPN complied with the AGM quality assessment project, jointly conducted by the Thai Investors Association, the Securities and Exchange Commission (SEC), and the Thai Listed Companies

Association. The assessment criteria included steps undertaken before each shareholders' meeting and activities on the meeting date and afterward.

3. ROLES OF STAKEHOLDERS

CPN values all stakeholders and observes sustainability of common benefits. It has clearly set policies and roles toward stakeholders in its "CG Policy", as detailed below:

Policy and Practices toward Stakeholders

Shareholders:

- Stimulating growth with quality and stability for the shareholders' sustainable benefit with good and efficient performance.
- Respecting the shareholders' equal rights to receive necessary information; disclose correct and actual information.
- Conducting business based on honesty, transparency, and fairness. Relevant details appear under "Rights of Shareholders" and "Equitable Treatment of Shareholders".

Employees:

- Providing fair and proper treatment of employees, whether in opportunity, compensation, job assignment, job transfer, or competency development, as well as managing employees' workplaces to ensure the safety of their lives and properties.
- Setting up policy of human resources management without discrimination, emphasizing equity and respect in human rights for employees at all levels.
- Encouraging dialogue between the Company and employees or their representatives to present information to its decision-makers so as to improve the quality of their work lives in pursuit of joint development.
- Formulating fair compensation and welfare policy for CPN's personnel at all levels, setting up the compensation structure of salary and bonus, for instance, to be in line with employee's knowledge, expertise, performance and CPN's operating result, both in short- and long-term. Relevant details appear

under "Sustainability Management" on page 94. In 2016, CPN made an improvement in certain areas of welfare and benefit such as medical treatment and allowance for offsite working, for example.

- Setting up provident fund for employees, on a voluntary basis, to provide employees with additional funds in support of their retirement life or life after quitting.
- Promoting employees' skills and knowledge by providing important and necessary training and education on safety, as regulated by law, as well as corporate governance and anti-corruption for new employees.

Tenants and Customers:

- Delivering satisfaction to the customers with good service and treat customers fairly and properly, ensuring safety for health, life, and property.
- Providing complete, correct, and actual information.
- Managing and providing standardized services to tenants under the supervision of the Standard Promotion and Control Unit (SCU). The activities run by SCU included the standardization of policies, work processes related to tenants at all branches, and public information of the services provided by CPN.
- Developing service staff and evaluate their services, including tenant relations staffs' daily visits to each store to serve tenants and listen to their problems and complaints. Customer service staffs are also assigned to walk around shopping areas inside every center to handle shoppers' questions or promptly provide recommendations, thereby saving them a trip to the PR counter.
- Meeting and communicating any significant operational plans with tenants at least once a year, including meeting with the tenants when opening or renovating any CPN's shopping complex, in order to announce its policies and to plan any joint marketing activities. Furthermore, these meetings provide an opportunity for tenants to express their opinions and make any recommendations for continuous service improvement. For existing shopping complexes, CPN holds one tenants' meeting every quarter.

- Jointly developing plans with tenants such as organizing activities on assorted occasions, including shop openings, new product launches, business partnerships, and joint sales promotions between retail shops and the shopping complex to enhance shop owners' preparedness in running their businesses.
- Undertaking satisfaction surveys relating to the services provided to the tenants on a regular and annual basis, in order to be informed and aware of any tenants and customers' needs as well as to improve CPN's excellence in services.
- Creating superior value to satisfy customers' needs and expectations via responsive procurement in line with the Value Chain principle.
- Conducting focused-group interviews to learn the specific needs of each tenant group and assessing the outcomes for service improvement.
- Recognizing the importance of developing public relations media by not using images or contents that may cause negative attitudes, social division, or improper values, especially those about sex or immorality, in the company's sales campaigns.
- Overseeing that the environment, the area inside and around the property under the company's management, is safe for health, life, and property.
- Providing more communication channels for customers to rent, to receive business information and to voice complaints, including direct contact with tenant service officers at each branch, Company's website and CPN Call Center at +66 (0) 2021-9999 or send email to call_center@cpn.co.th.

Business Partners:

- Equitable treatment of business partners and joint benefit.
- Observing CPN's clearly detailed procurement procedures and practices to facilitate mutual trust and long-term relationships.
- Fostering economic, social, and environmental cooperation.
- Defining CPN's procedure for business partner selection under its rule on procurement and the rule on project development and construction management, including procurement through business partner selection by price

inquiry or price auction, or through E-Auction under CPN's rule on pool procurement. Procurement is, in any case, conducted transparently in line with CPN's Anti-corruption Policy.

- Arranging the Supplier Information Meeting to meet and communicate the Company's strategic plans and business directions, enabling suppliers to conduct compatible businesses and grow with CPN in a sustainable way.

Creditors:

- Strictly respecting agreements with creditors; managing loans according to lending objectives; avoiding using the loans to cause damage to CPN; ensuring timely repayment of loans and interests; thoroughly honoring loan conditions as agreed; and competently operating the business to assure creditors about CPN's healthy financial standing and loan repayment capabilities.
- Maintaining CPN's financial ratios as specified in loan agreements or the terms and conditions of such agreements, with regular reporting of its performance to creditors as required, CPN has never defaulted on either debt or interest payment, or caused any concern among creditors on its debt repayment ability. Moreover, CPN provides loans only to subsidiaries under its shareholding structure, with no financial assistance offered to any unrelated company.

Business Competitors:

- Conducting business with fairness; refraining from improperly seeking competitors' confidential information; refraining from abusing the intellectual property rights of others or those of competitors; promoting information-sharing that benefits the overall development and management of shopping complexes to strengthen the business and contribute to sustainable national economic, social, and environmental development.
- The establishment of the Thai Shopping Center Association exemplifies close cooperation between CPN and industry peers, designed to share useful business directions and experience for common benefit, with CPN holding membership and directorship in the association since 1998.

- Publicity guidelines for association information through various communication channels, including press conferences and interviews with the mass media, publicity documents, and association seminars designed to educate and provide intelligence on the shopping center business that is useful and timely for the public.
- Appointment of a mini-taskforce to track new laws and provide views on laws potentially affecting the businesses of shopping centers and retail commerce.
- Implementation of safety measures, including cooperation for crisis preparedness and the invitation of experts to discuss security matters in shopping centers.
- Advocating trade promotion measures to stimulate tourists' spending and encourage Thais to purchase local products, through consultation with the Ministry of Tourism and Sports, Ministry of Finance, Ministry of Commerce, and relevant public and private organizations.
- Functioning as working groups on diverse projects to drive and promote macro-economic development, together with enhancing the competitiveness of shopping-center business sector under the Pracharath (Public-People) Collaboration Project, such as tourism promotion and a MICE¹ working group of the Amazing Thai Taste Project and a working group on the Occupational Standards and Professional Qualifications Development Project for Property Management Phase 2.

Note:

¹ Travelling in a type of Meetings, Incentives, Conferences, and Events

Society, Communities and the Environment:

- Respecting relevant laws and/or regulations and try to surpass standards, such as inventing or applying the innovation of energy-efficient buildings in CPN's shopping centers and office buildings; monitoring the operation of the company and preventing it from damaging the quality of life of society, communities, and the environment; developing society in its quality of life, education, energy saving, and environmental protection.
- Actively communicating and disseminating knowledge of environmental conservation to its relevant stakeholders to

establish an environmental protection network that spreads knowledge and experience to all social sectors.

Government:

- Cooperating and supporting government policies for the benefit of the country under relevant law and criteria; actively implements projects beneficial to the public, whether as assigned by the government or company-initiated projects.
- Providing cooperation in anti-corruption.

Independent Organizations and Related Social Organizations:

- Upgrading cooperation and information-sharing with independent organizations and other related social organizations for joint, sustainable development of society and the country, taking into account impacts on the economy, society, and the environment.

Policy and Practices on Intellectual Properties

CPN conducts its business strictly under the law or regulations on intellectual property rights, whether in trademarks, patents, copyrights, classified commercial information, or other stipulated categories of intellectual property, such as using only licensed software that has been inspected and installed by CPN's Information Technology Department, and encouraging employees to ensure that the application of research findings or other data in their work does not constitute a violation of other people's intellectual property rights.

Policy and Practices on Adherence to Human Rights Protection Laws and Regulations

A key basis of CPN's business conduct is legal compliance, which includes domestic and foreign laws, as well as relevant customs, traditions, and cultures. CPN also tries to surpass standards, such as undertaking studies of relevant laws during conducting feasibility studies of projects and complying with them

throughout the development stages, with constant monitoring of any legal revision that may affect its business operation. For example, CPN fully complies with city planning laws to avoid causing any economic, social, and environmental impacts. CPN also strictly observes the laws of every targeted country to ensure that its overseas investments are properly and transparently executed.

CPN promotes and respects the protection of human rights, and ensures that its business conducts have no connection with any human rights violation such as forced labor or child labor. All stakeholders are treated fairly on human dignity and non-discrimination of national origin, race, gender, age, skin color, religion, physical condition, status, or birth. CPN is a business unit of the Central Group that is ready to support UN Women's projects in suppression of violence against women and promotion of gender equality. It also promotes the monitoring of human rights compliance within CPN and encourages subsidiary companies, investors, business partners, and all stakeholders to observe the international standards of the principles of human rights. Another example of CPN's human rights practices is the protection of stakeholders whose rights are affected by CPN's operation by offering compensation at a rate comparable to what is stated by the law. Relevant details appear under "Sustainability Management" on page 93 and 114.

Policy and Practices Against Fraud and Corruption

CPN has undergone the certification process and become an ally of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since January 16, 2015, organized by the Thai Institute of Directors Association (IOD) in conjunction with the Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, and Thai Bankers' Association. CPN has continually carried out the following measures:

Training and Communication

- Employee education through training and orientation, together with other PR media, like the ADMIRE journal and bulletin boards.
- Definition of a policy to prevent business money laundering in support of the public sector's suppression of law-breaking and prevention of fraud. Board Meeting No. 1/2016, held on January 8, 2016, approved a Policy on Anti-money Laundering, regarded as part of the Code of Conduct and CG Policy.
- Sending CPN's representatives to participate in the "Anti-Corruption and Bribery Measures for Business Sector" forum, held by the Office of the National Anti-Corruption Commission, and informing directors, managers and related units for their acknowledgment and practices, relevant legal provisions and directives for the formulation of appropriate internal-control measures for juristic persons to prevent the bribery of public officials, foreign public officials and officials of public international organizations.
- Sending CPN's representatives to participate in knowledge training and forums, and to build alliance of anti-corruption scheme.

Extension of Cooperation Toward CPN's Business Partners

- Informing suppliers about anti-corruption measures in the Supplier Information Meeting and persuading them to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

Details of relevant policies are disclosed in CPN's Code of Conduct and CG Policy, Anti-Corruption Measures and Code of Conduct and Practices for Business Partners.

Whistleblowing and Complaints

CPN provides the following channels for stakeholders to voice their suspicions or complaints:

- In the case that employees or stakeholders suspect any unlawful activities or those in violation of the law, rules, regulations, or code of business conduct, they can ask, alert or file complaints together with detailed evidence to the company or relevant agencies. Then, the Audit Committee will investigate the facts related to such activities and propose its findings to the Board for acknowledgement and further consideration. Details of communication channels are as follows:

Audit Committee

Central Pattana Public Company Limited
30th floor, The Offices at CentralWorld
999/9 Rama I Road, Patumwan Sub-District
Patumwan District, Bangkok 10330, Thailand
Tel : +66 (0) 2667-5555 ext. 1200
Email : whistleblower@cpn.co.th

- In the case that employees or stakeholders suspect any activities concerning operation, they can ask or alert complaints to CPN's management via the following channel.

The President & CEO

Central Pattana Public Company Limited
33rd floor, The Offices at CentralWorld
999/9 Rama I Road, Patumwan Sub-District
Patumwan District, Bangkok 10330, Thailand
Email : CEO@cpn.co.th

The rights of whistleblowers who are employees, customers, and outsourced persons will be protected under the law. Relevant details appear in "Code of Conduct and CG Policy".

4. DISCLOSURE AND TRANSPARENCY

CPN is committed to correct, complete, transparent, thorough, and timely disclosure of information, whether financial or non-financial, so that investors and all stakeholders may regularly receive reliable and adequate information for their decisions through the SET Portal system and the CPN website, enabling

all people to equitably access information. For information that cannot yet be disclosed, CPN has in place measures to prevent unauthorized access to such inside information.

Investor Relations

CPN established the Investor Relations Division in 2006 to manage relationships and represent the Company's center for disclosing financial and non-financial information, together with communicating relevant information regularly, accurately, completely and transparently to shareholders, investors, securities analysts, the general public and stakeholders in Thailand and abroad on an equal, inclusive and timely basis, in line with SET's requirements.

Investor Relations reports directly to the CFO and works closely with senior executives to formulate policies as well as quarterly and annual plans, including operating guidelines and approaches for developing CPN Investor Relations practices on a par with leading regional listed companies. The division also presents performance results and comments from shareholders, analysts, and investors to the Board twice a year.

CPN disseminates material information, available in both Thai and English and useful to shareholders and investors for their decision-making on investment, via diverse channels such as the Company's information submitted to SET, the Securities and Exchange Commission (SEC), newspapers and press releases. Information that has been disclosed to shareholders, investors and the general public will be posted on the Company's website under "Investor Relations" (http://www.cpn.co.th/investor_th.aspx) and is regularly updated.

Information disclosed on the website includes Form 56-1, the Annual Report (Form 56-2), financial statements, Management Discussion & Analysis (MD&A), the Company's past performances, data on the Company's business operation, factsheets for existing and new projects, notices to shareholders' meetings, minutes of shareholders' meetings, corporate governance, information submitted to SET, Investor Relations calendar (IR events and calendar), press releases and presentations used during both

domestic and international roadshows. In 2016, the website received over 8,144 visitors a month, with over 357,144 viewings of the webpage information a month. Furthermore, over 4,410 people subscribed to Investor Relations' electronic newsletters.

In addition, before the announcement of its quarterly and annual performance results to SET, the Company sets a silent period of 14 days to abstain from communicating its quarterly performance report to analysts and investors to avoid unfair release of information which may affect CPN's share price.

Investor Meetings

Recognizing the value of forging good relations with investors, CPN's senior executives regularly make time to join investor meetings and activities to elaborate CPN's policies and business directions. These activities include the CEO forum, investor meetings, quarterly performance announcement events, domestic and overseas roadshows to meet investors. The Company's

executives have also been invited by SET to share their knowledge and experiences with interested persons at Investor Relations events.

CPN has participated in the quarterly "Opportunity Day" activity organized by SET, so that its senior executives and investor relations officers may present the Company's performance results and business movement. This activity also provides the Company with the opportunity to directly meet and answer questions from shareholders, investors, analysts, interested persons and the mass media, whose number at each quarterly Opportunity Day in 2016 averaged 40-50 persons. SET also provides a live webcast via SET's website, where viewers can post their questions and get real-time responses from the management during Q&A sessions. Furthermore, document and recordings of executives' presentations are disseminated through the Investor Relations website, enabling investors to view all historical data.

CPN's investor meeting activities in 2016 were as follows:

Meeting Format	Number of Meetings	Number of Companies	Number of Investors
1. One-on-One Meetings	69	85	170
2. Conference Calls	17	16	19
3. CEO Forum and Analyst Briefings	3	45	122
4. Opportunity Days	4	-	184
5. Investor Conferences	3	52	74
6. Non-deal Roadshows	6	71	112
7. Site Visits	15	46	69
Total	117	315	750

For year 2016, CPN received SET Awards 2016 - Outstanding Investor Relations in the category of listed companies with market capitalization exceeding Baht 100,000 million, by the Stock Exchange of Thailand and Money & Banking Magazine.

Shareholders, investors and interested parties may contact Investor Relations for additional information either in person or by sending a letter or email to:

Investor Relations Division

Central Pattana Public Company Limited
31st floor, The Offices at CentralWorld
999/9 Rama I Road, Patumwan Sub-District
Patumwan District, Bangkok 10330, Thailand
Tel : +66 (0) 2667-5555 ext. 1632, 1688 or 1689
E-mail : ir@cpn.co.th

5. BOARD RESPONSIBILITIES

The Board's Structure

The Board consists of 12 directors who are knowledgeable, experienced and skillful in diverse fields relevant to the Company's operation, with four of them, including a woman, being independent directors, equivalent to one-third of the total as required by SEC's regulations. Fully qualified under CPN's standard, independent directors can effectively and efficiently discharge their duties for the full benefit of CPN.

To ensure an inclusive supervision of all operational aspects under CG principles, CPN has set up four Sub-Committees, one Executive Committee, and one Management Committee, as well as appointing the Company Secretary to help the Board in performing its duties. Relevant details appear under "Management Structure" on page 128-137.

Diversity in Board Structure

CPN's emphasis on the diversity of the Board's structure, its policy is clearly defined in the Code of Conduct and CG Policy and the Charter of the Nomination and Remuneration Committee. The Board considers it appropriate that its structure comprises ethical and honest experts who are knowledgeable, experienced, and skillful in diverse fields relevant to the conduct of business. Furthermore, Board members are selected with non-discrimination of gender, race, religion, age, professional skill, or other qualifications.

Directors' Duties and Responsibilities

Besides performing their duties in accordance with relevant laws and the Company's objectives and regulations, directors are responsible for resolutions of the Board and shareholders' meetings, with duty of loyalty, duty of care, accountability, ethics and equitable treatment to all shareholders without discrimination. The Board provides views on defining CPN's vision, missions, long-term goals, strategic plans and policies which include the corporate governance policy, business ethics and ethical standards for directors, executives and employees, with annual revision for compatibility with prevailing business circumstances. The Board also monitors and supervises the management to ensure that the Company's key strategies and policies are actively implemented.

CPN's significant strategies and policies are conveyed to all management and employees through various channels. At the managerial level, the communication is through the Annual Management Committee and the Management Information Meeting, which is annually held, for instance. At the employee level, either at the headquarter or branches, the communication is through the line of command and a variety of media issued by the Internal Communication Department to vastly cover the whole company. The Board, then, monitors the progress of all defined working plans through the agenda of acknowledgement on CPN's quarterly performance.

Roles of the Chairman and the CEO

For clear role segregation and checks and balances, the Chairman and the CEO are always two different persons.

In spite of being representatives of the shareholders and not independent directors, based on the deliberation of the Nomination and Remuneration Committee and the approval of the Board, the current structure is appropriate for CPN's business and, in fact, is a forte supporting CPN's constant success and business growth, since the Chairman is knowledgeable, experienced, skillful in the retail and property development industries, and conforms to the principles of good governance.

As a director bound by the Charter of the Board, the Chairman is committed to the Code of Conduct and CG Policy in providing a role model for the Board, executives, and employees. The Chairman presides over the meetings of the Board as well as those of the shareholders, ensuring smooth meetings and providing directors and shareholders with opportunities to express their views and recommendations freely and creatively.

The CEO is responsible for managing and administering day-to-day CPN businesses under its strategic plans, vision, and missions, with a scope of authority bound by law, objectives, and company regulations, in addition to the decisions of the Board and shareholders' meetings.

Directorship in Other Listed Companies

The Charter of the Board of Directors has stipulated that directors may hold directorships in other companies, but must not let them affect their work as the company's directors. It is stipulated that directors may hold directorships in no more than five listed companies. CPN had no director holding directorships in more than five listed companies.

The CEO may hold directorships in other companies, but must not let them affect the work as the company's CEO. Moreover, such entities must not operate business of the same type nor competing to that of the Company. Directorships in other listed companies must gain approval from the Board. CPN's CEO held directorship only at CPN.

Policy on Limiting the Number of Term of Directorship for Independent Directors

The Charter of the Board of Directors has stipulated that independent directors may hold office for up to two consecutive terms, extendable to up to nine years in total, to maintain their independence in giving opinions and performing their duties as independent directors. Taking effect from September 27, 2013, this decision is not retroactive for independent directors who assumed their titles before directors' appointment in 2008.

The Board may consider extending the term of independent directors as deemed appropriate. In the year when any

independent director is retired by rotation, the Board may propose such independent director to the annual general meeting of shareholders to consider the re-election of such independent director for another term.

Board Meetings

- The Board jointly and in advance plans meeting dates for the entire year, with at least six meetings a year. This year there were eight Board meetings, consisting of six regular meetings and two extraordinary ones.
- The Chairman, CEO, and Company Secretary jointly set a clear agenda before each Board meeting. All directors can freely propose agenda items for consideration by the Chairman before inclusion in a meeting.
- The Company Secretary must submit meeting documents that can be revealed in a written form without affecting CPN's business operations to the directors at least seven days in advance for consideration, together with an invitation letter specifying the meeting date, time, place, and agenda. In emergencies, to protect CPN's rights or interests, appointments for such meetings can be made through other methods at shorter notice.
- During each meeting, the Chairman allocates enough time for discussion of each significant issue and encourages all directors to creatively and freely express ideas with due discretion, with the Company Secretary and Legal Department in attendance to take notes.
- Any director with a vested interest on any agenda item must abstain from the meeting and voting on that item.
- Each time the Board voted, the Board decided that the Board composition should be recorded in the meeting minutes. To date, voting on each item requiring approval was done by no less than two-thirds of the Board.
- If a situation occurs that is critically important or may have a significant impact on CPN and/or any stakeholder, the management will submit full details of the incident to the Board for consideration, opinions, and suggestions – for example, overseas project updates, market situations and project investment plans, “social interest” events or those that could involve CPN's business, and CG guidelines, and so on.

- Meeting documents, minutes, information and all relevant documents are safely stored in electronic files together with the original documents.
- For any question arising during a meeting that requires follow-ups and/or additional information from any involved department, the Company Secretary will coordinate and submit additional details/information to the Board as soon as possible.
- The Company Secretary must submit monthly reports, comparing achievements against the Board-approved targets, for the directors' acknowledgment.
- Non-executive directors must hold at least one exclusive meeting a year. In 2016, two meetings were held in September and November to review strategic plans for 2017 and significant business matters, where summaries of issues for consideration and helpful recommendations were provided to the Board and the management for further action.
- The efficiency of Board meetings is evaluated at every Board meeting to promote constant improvement of directors' performance and meeting arrangement. The outcomes of such evaluations for 2016 averaged 97.14%.
- The Board also regularly considers any changes in relevant laws, rules, and regulations that are crucial to CPN, together with any news and updates on good CG practices, so that ongoing activities of the Board fully conform to any revised and relevant laws, as well as rules, regulations, and guidelines currently in effect.

THE BOARD'S SELF-EVALUATION

1. Board's Self-Evaluation Form

- **Criteria**

CPN 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 five aspects of its operation:

- 1) Board structure and qualifications

- 2) The roles, duties, and responsibilities of the Board
- 3) Board meetings and board performance
- 4) Relationship with management
- 5) Director's self-improvement and executive development.

Component II The Board gives its opinions and suggestions or identifies special issues of interest about its performance or different aspects of CPN'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, and report the summary annually to a Board meeting as an agenda item for acknowledgment and discussion.

2. Director's Self-Evaluation Form

- **Criteria**

Designed to assist each director in reviewing and enhancing his/her performance, this evaluation form fully aligns with the Board's legal obligation, CPN's Charters 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 CPN'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, and report the summary annually 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, 3) Risk Policy Committee, and 4) Corporate Governance and Sustainable Development Committee must undertake annual self-evaluation, the outcomes of which are applied to boost their input to supporting CPN committees' work and each dimension of its business operation.

Evaluation of the CEO's Performance

• Criteria

Based on SET's evaluation approach, the CEO evaluation form consists of two key components:

Component I Evaluation of the 10 following aspects of CEO's performance:

- 1) Leadership skills
- 2) Strategic identification skills
- 3) Adherence to strategic plans
- 4) Financial planning and outcomes
- 5) Relationship with the Board
- 6) Relationship with other business entities and other sectors
- 7) Management skills and staff relationship
- 8) Succession plan
- 9) Products and service knowledge
- 10) Personal qualifications.

Component II Under the section of CEO Development, CEO's strengths and aspects for further improvements are identified 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 capability development.

The Company Secretary will collect all the information and report the summary to the Nomination and Remuneration Committee and the Board for the consideration of the CEO's future compensation.

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 "Management Biography" on page 279-291.

Seminars and Training Courses Attended by Each Director in 2016

Names	Details
Mr. Paitoon Taveebhol	<ul style="list-style-type: none"> - Attended the CG Forum 3/2016 on the prevention and control of corrupt practices in companies, organized by SET. - Attended the public hearing conference on Thailand's Corporate Governance Code (CG Code) and Investment Governance Code (I Code) for Institutional Investors in relations to listed companies, organized by SEC.
Mr. Verawat Chutichetpong	<ul style="list-style-type: none"> - Attended the "Corporate Governance for Capital Market Intermediaries (CGI)" training course, organized by IOD.
Mr. Preecha Ekkunakul	<ul style="list-style-type: none"> - Attended a special lecture on "Property Fund & REIT" and "Economic Outlook for 1H16", organized by CPN in collaboration with Maybank Kim Eng Securities (Thailand) Plc. and Phatra Securities Plc. - Attended a special lecture on "Property & Retail Sector" and "Economic Outlook for 2H16", organized by CPN in collaboration with TMB Bank Plc. and Phatra Securities Plc.

Participation in Directors' Training Courses Organized by IOD

Details	Name	Mr. Suthichai Chirathivat	Mr. Paitoon Taveebhol	Mr. Karun Kittisataporn	Mrs. Jotika Savanananda	Mr. Veravat Chutichetpong	Mr. Suthikiat Chirathivat	Mr. Suthichart Chirathivat	Mr. Sudhisak Chirathivat	Mr. Sudhitham Chirathivat	Mr. Kobchai Chirathivat	Mr. Prin Chirathivat	Mr. Preecha Ekkunagul
Advanced Audit Committee Program (AAP)					•							•	
Audit Committee Program (ACP)			•	•								•	
Anti-Corruption for Executive Program (ACEP)			•	•									
Board and CEO Assessment								•					
Chief Financial Officer (CFO)												•	
Corporate Governance for Capital Market Intermediaries (CGI)						•							
Director Accreditation Program (DAP)		•	•			•	•	•	•			•	•
Director Certification Program (DCP)			•	•	•				•	•	•	•	•
Financial Institutions Governance Program (FGP)				•									
Finance for Non-Finance Director (FND)								•					
Financial Statements for Directors (FSD)				•									
Monitoring the Internal Audit Function (MIA)			•	•								•	
Monitoring the System of Internal Control and Risk Management (MIR)			•									•	
Monitoring Fraud Risk Management (MFM)			•									•	
Monitoring the Quality of Financial Reporting (MFR)			•	•								•	
Chartered Director Class (R-CDC)			•										
Role of the Compensation Committee (RCC)			•	•									
Role of Chairman Program (RCP)		•	•					•				•	
Risk Management Committee Program (RMP)					•								

Internal Control and Internal Audit

CPN's internal control and internal audit are key mechanisms ensuring the efficiency and effectiveness of CPN's operation, the accuracy and reliability of financial reports, and strict compliance to relevant laws and regulations. Staff's understandings of these mechanisms are constantly enhanced at all levels via their respective lines of command and CPN's diverse public relations channels.

Internal Audit, directly reported to the Audit Committee, has the scope of work to ensure that all employees perform their duties in strict compliance with CPN's policies, standards, work procedures, regulations, and applicable laws.

Assessment on the adequacy of CPN's internal control system is undertaken annually by relevant management divisions and Internal Audit. The five aspects of control are as follows:

1. Control environment
2. Risk assessment
3. Control activities
4. Information and Communication
5. Monitoring activities.

The findings are reviewed by the Audit Committee and reported to the Board for consideration and opinions. This year CPN held 11 Audit Committee meetings to assess and review the adequacy of CPN's internal control system, review connected transactions, select the external auditor, review financial reports and ensure that all divisions strictly observe CPN's rules, regulations and policies.

Currently, Ms. Nonglak Sriwongphanawes, Assistant Vice President, Internal Audit Office, is appointed by the Audit Committee and serving as the head of Internal Audit Office.

Control and Prevention of the Use of Inside Information

The Board ensures that a policy is put in place to control the use of inside information and transactions on CPN's shares, to ensure equitable treatment of all shareholders and assuring

them that relevant directors and executives are prohibited from undertaking dishonest stock transactions for their own benefit or the benefit of others,

- Control of inside information: Directors, executives, and all employees must not use CPN's inside information, significant and undisclosed, for their own benefit or the benefit of others and must strictly comply with the policy specifying the safeguarding and use of inside information.
- Holding CPN's securities: CPN directors, executives, and employees may invest in CPN's securities. However, to prevent conflicts of interest, these personnel and their related persons (spouses and under-aged children) must not buy, sell, transfer, or accept any transfer of CPN's shares during the one-month period before the public disclosure of CPN's financial statements and at least 48 hours after the Company has disclosed such information to SET or the public. If any of them buys, sells, transfers, or accepts transfer CPN's shares, they must prepare and disclose the report of shareholding and changes to the regulators as specified.

In case of violation against the policy on the use of inside information, executives and employees will be considered guilty and is subject to the legal punishment.

- Disclosure on the holding of CPN's securities: The Company Secretary must file a quarterly report on the shareholding of directors, executives, and related persons and submit it to the Board.

Monitoring of Conflicts of Interest

It is CPN's policy to conduct business with honesty, open-mindedness, transparency, and fairness. CPN's directors, executives, and employees must not engage in any business in competition with CPN or undertake any connected transaction related to themselves or persons/juristic persons, which could pose any conflict of interest to CPN. The Board must ensure strict conformance to the regulations and procedures for the disclosure of connected transactions specified by the law and the regulators.

If a connected transaction is unavoidable, however, such transaction must follow the general business provisions as specified and approved by the Board, based on transparency and fairness in the same way as ordinary transactions undertaken with outsiders, taking into account the best interests of CPN. Any party involved in a conflict of interest transaction must not take part in the consideration of such transaction. If connected transactions that breach the approved general business provisions could pose any conflict of interest, the Audit Committee will examine such transactions and include its opinions to the Board or shareholders for approval.

- **Disclosure of connected transactions:** For each fiscal year ending on December 31, directors and executives must fill out the connected transactions disclosure form to demonstrate their transparency, thoroughness, and discretion for deliberating connected transactions during the year. The form is provided by the Company Secretary, who also collects the disclosed information.

- **Disclosure of personal interests held by directors, executives, and related parties:** Directors and executives must submit their first disclosure report within 30 days after first holding office and submit subsequent reports of their interests as of December 31 every year. To ensure the transparency of direct and indirect transactions undertaken by directors, executives, or related parties during the year, such directors or executives must notify CPN without delay by indicating facts about the nature of such contracts, names of counterparties, and their personal interests in such contracts.
- **Disclosure of vested interests:** Directors and executives must report vested interests held by themselves and related persons under the regulations, conditions, and methods specified by the Capital Market Supervisory Board. The Company Secretary must compile and submit a copy of the report of such vested interests to the Chairman and Chairman of Audit Committee within seven days after receiving the report.

In 2016, CPN did not receive any complaint about misuse of inside information committed by any director or executive.

NOMINATION OF DIRECTORS AND MANAGEMENT

NOMINATION OF DIRECTORS

Term

In accordance with the Public Company Limited Act, and the Company's articles of association, it is required that one-third of the directors must leave the Board at every Annual General Meeting of Shareholders (AGM). If the total number is not a multiple of three, the number closest to one-third must be used with the exit of directors who have stayed the longest with the Board, who may be re-elected to the Board.

Independent directors may hold office for up to two consecutive terms, extendable to up to nine years in total, for the expression of free views and service as independent directors. Taking effect from September 27, 2013, this decision is not retroactive for independent directors who assumed their titles before directors' appointment in 2008.

Criteria for nomination

The Nomination and Remuneration Committee reviews eligible directors by:

- Allowing the major shareholder, minor shareholders, directors, and executives to nominate directors.
The Company allows all shareholders the opportunity to participate in proposing persons for consideration as possible nominees for appointment as a Director of the Company. This is to take place at least 3 months prior to the end of the financial year, whereby the Company makes the announcement, together with the details of procedure for the nomination and consideration, through the Stock Exchange of Thailand's information disclosure system as well as through the Company's website. There was no shareholder proposed any person to be nominated as a director of the Company in 2015.
- Examining the Director Pool of the Thai Institute of Directors Association or other agencies with similar lists.
- Leveraging other channels considered suitable by the Nomination and Remuneration Committee.

Recruitment of directors is the responsibility of Nomination and Remuneration Committee, which screens candidates with qualifications predetermined in Company's articles of association, Board charter, and applicable criteria. These qualifications are summarized below:

- Conformity to all relevant legal requirements, with no record of criminal conviction or that of being penalized nor blacklisted by any organization, including SEC
- Candidates for independent directors must possess SEC-required qualifications
- Board skill matrix comprising knowledge, experience, skills, and relevant expertise
- Board diversity, including age and gender diversity
- Leadership, vision, ethics, and integrity
- Ability to devote adequate time to their duties (for outgoing directors nominated for reappointment)

After completing the screening process, the names of shortlisted candidates were tabled by the Nomination and Remuneration Committee for the Board's endorsement and finally for the shareholders' appointment under the following methods:

1. In voting for directors, each share carries one vote.
2. Each shareholder must exercise all of his/her voting rights to elect the proposed candidates one by one.
3. The candidates with the top votes and those in descending order will become directors, with the number of successful candidates equal to the number of directors required or to that to be elected at a given meeting. The chairperson of the meeting casts his/her deciding vote if more than one candidate receives equal votes.

In case of a vacant position due to causes other than term completion, the Board must appoint qualified and lawful candidates as replacement directors at the next Board meeting unless the remaining term is shorter than two months. Each replacement serves in such position only for his/her predecessor's remaining term. For the appointment of the replacement, he/she must receive no less than three-quarter of the votes from the remaining directors.

At the 2016 AGM, four directors completed their terms in 2016:

- 1) Mrs. Sunandha Tulayadha
- 2) Mr. Suthichart Chirathivat
- 3) Mr. Sudhisak Chirathivat
- 4) Mr. Kobchai Chirathivat

Shareholders at the 2016 AGM appointed Mr. Veravat Chutichetpong, as an independent director, to replace Mrs. Sunandha Tulayadhan, along with the reappointment of Mr. Suthichart Chirathivat, Mr. Sudhisak Chirathivat, and Mr. Kobchai Chirathivat, as directors.

Orientation for newly-appointed Directors

CPN had arranged a meeting among new and existing ones, including CPN's management team. An orientation was held to develop a better understanding of their roles and to present Company's business, as follows, to the new directors:

1. CPN's goals, vision, and strategies
2. Summary of CPN's group structure, organization chart, and sub-committees
3. Summary of CPN's business nature
4. Summary of CPN's shareholding structure
5. Summary of CPN's policy on connected transactions
6. Summary of CPN's performance, recent projects, and projects under construction to provide new directors with adequate basic information to perform their duties efficiently

Additionally, the office of the Company Secretary has prepared and provided the following documents to the new directors:

1. Director's manual, consisting of CPN's vision, mission, and values; corporate governance policy; code of conduct for directors, executives, and employees; CPN's Articles of Association; CPN's Memorandum of Association; charters of the Board of Directors and sub committees; manual of listed companies' directors; suggestions for disclosure of information; and applicable laws

2. Company profile
3. Regulations on the CPN's internal information control
4. Regulations on the CPN's securities portfolio
5. Policy on reporting of directors' and executives' vested interests and relevant forms for report preparation
6. Annual reports of the last three years, with information about CPN's business operation and performance, and details on risk management and internal control
7. Board meeting minutes dating back one year
8. Performance reports of the Audit Committee dating back one year
9. Performance reports of the Nomination and Remuneration Committee dating back one year
10. Performance reports of the Risk Policy Committee dating back one year
11. The regular meeting dates of the Board for the entire year

In 2016, Mr. Supachai Panitchpakdi (Honorary Chairman) and Mr. Veravat Chutichetpong attended an orientation for newly appointed directors.

NOMINATION OF MANAGEMENT

Nomination of President & CEO

The Executive Committee conducts a preliminary screening of candidates with the required qualifications, knowledge, skills, and experience and then tables them to the Nomination and Remuneration Committee for consideration and endorsement before submitting the final list to the Board for its consideration.

Nomination of Management

The President & CEO selects and appoints candidates with the qualifications, knowledge, skills, and experience suitable for each executive position. The recruitment will be done under Human Capital Management and Organization Development Department's regulations.

Succession Plan

CPN's succession planning covers the levels of senior executives upward to the President & CEO, to be implemented by the Human Capital Management and Organization Development Department with approval given by the Corporate PDC (People Development & Engagement Committee). Following the implementation of the succession plan for the President & CEO, candidates are screened by the Nomination and Remuneration Committee before being shortlisted and sent to the Board for consideration.

Regarding senior executive positions, succession planning is required for those considered critical, based on recruitment difficulties in the job market, the incumbent's service years before retirement age (60), health condition, and likelihood of being recruited by other companies. The identification of candidates and succession planning for critical positions are jointly conducted by Human Capital Management and Organization Development Department and the top executives of relevant operation units, with career plan and individual development plan developed for each candidate. The department must also report the outcomes of every implementation to Corporate PDC.

CPN undertakes competency development for all employees and executives to accommodate the implementation of its succession plans through the following programs and actions:

- **Competency improvement through internal training developed in cooperation with the Academy team for each level:**
 - Management courses, such as management, strategic thinking, initiation, prioritization, and time management skills
 - Leadership courses, such as driving change, creating inspiration and incentives, effective feedback, and communication

- **Executives short training courses**

Short training courses for executives conducted locally and abroad, enabling them to keep abreast of novel management knowledge and trends, as well as network building

- **Other non-training programs:**

- Field study trips to leading shopping centers abroad
- Project assignments to improve specific, needed skills and cross-functional performance
- Participation in meetings on corporate strategies, human resource development, and business process development
- Job rotations for middle management and executives to enhance their experience and readiness for promotion, as well as to accommodate future business expansion abroad.

- **Performance-based Pay**

Transparent, appropriate, and fair management of compensation and benefits under Performance-based Pay principles, with competitive compensation rates with other leading companies in the same industry to encourage their long-term commitment and growth along with CPN.



REMUNERATION OF DIRECTORS AND MANAGEMENT

REMUNERATION OF DIRECTORS

CPN has considered the remuneration of directors, taking into account both its fairness and appropriateness, which reflects the extent of their responsibilities and performance relative to the Company's overall operational performance and related factors, inclusive of comparisons to remuneration of other companies within the same or similar industry and business sectors as the Company; whereby the Nomination and Remuneration Committee has annually considered from the survey on remuneration of directors undertaken by the Stock Exchange

of Thailand (SET) and the Thai Institute of Directors Association (IOD) as reference.

In 2016, the Nomination and Remuneration Committee has reviewed and proposed the remuneration of directors to the Board of Directors for consideration and concurrence in submitting it to the 2016 Annual General Meeting of Shareholders on April 21, 2016 for approval with a ceiling of Baht 13,500,000, details as follows :

Type of Remuneration	Amount (Baht)
1. Quarterly Retainer (Baht/Quarter)	
- Chairman	152,000
- Chairman of the Audit Committee	133,000
- Member of the Audit Committee	103,000
- Director	85,000
2. Board Meeting Allowance for the Board of Directors (Baht/Meeting)	
- Chairman	60,000
- Director	42,000
3. Meeting Allowance for the Audit Committee (Baht/Meeting)	
- Chairman of the Audit Committee	65,000
- Member of the Audit Committee	50,000
4. Meeting Allowance for the Nomination and Remuneration Committee including Advisory (Baht/Meeting)	25,000
5. Meeting Allowance for the Risk Policy Committee (Baht/Meeting)	25,000
Total Remuneration for the Directors as approved by the shareholders	13,500,000

Note: Executive director and management do not receive any remuneration for being members of any sub committees.

The quarterly retainer for the directors together with meeting allowances for sub committees for 2016 totaled Baht 11,164,626 whereby details of meeting attendance and remuneration are as follows:

Director Remuneration in 2016

Name of Directors	Position	Meeting Attendance (Meeting)			
		Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Risk Policy Committee
		8 Meetings	11 Meetings	3 Meetings	4 Meetings
1. Mr. Suthichai Chirathivat	Chairman	8/8	-	-	-
2. Mr. Paitoon Taveebhol	Independent Director Chairman of the Audit Committee Chairman of the Risk Policy Committee	8/8	11/11	-	4/4
3. Mrs. Sunandha Tulayadhan ¹	Independent Director Member of the Audit Committee Member of the Nomination and Remuneration Committee	0/2	2/3	0/2	-
4. Mr. Karun Kittisataporn	Independent Director Member of the Audit Committee Chairman of the Nomination and Remuneration Committee	8/8	11/11	3/3	-
5. Mrs. Jotika Savanananda ²	Independent Director Member of the Audit Committee Member of the Nomination and Remuneration Committee	8/8	11/11	2/2	-
6. Mr. Veravat Chutichetpong ³	Independent Director, Member of the Audit Committee	6/6	7/7	-	-
7. Mr. Suthikiati Chirathivat	Director	6/8	-	-	-
8. Mr. Suthichart Chirathivat	Director	3/8	-	-	-
9. Mr. Sudhisak Chirathivat	Director Advisory of the Nomination and Remuneration Committee	8/8	-	3/3	-
10. Mr. Sudhitham Chirathivat	Director Member of the Nomination and Remuneration Committee	6/8	-	3/3	-
11. Mr. Kobchai Chirathivat	Director Member of the Risk Policy Committee	7/8	-	-	4/4
12. Mr. Prin Chirathivat	Director Member of the Risk Policy Committee Advisory of the Nomination and Remuneration Committee	7/8	-	3/3	4/4
13. Mr. Preecha Ekkunagul	Director Member of the Risk Policy Committee	8/8	-	-	4/4
Total					

Note: ¹ Completed her director's term on April 21, 2016

² Appointed as the Member of the Nomination and Remuneration Committee on February 18, 2016

³ Appointed as the Director on April 21, 2016 and appointed as the Member of the Audit Committee on May 13, 2016

Director Remuneration (Baht)					
Quarterly Retainer	Meeting Allowance for Board of Directors	Meeting Allowance for the Audit Committee	Meeting Allowance for the Nomination and Remuneration Committee	Meeting Allowance for the Risk Policy Committee	Total (Baht)
594,000	475,000	-	-	-	1,069,000
526,000	332,000	715,000	-	98,000	1,671,000
120,615	-	100,000	-	-	220,615
407,000	332,000	550,000	71,000	-	1,360,000
407,000	332,000	550,000	48,000	-	1,337,000
282,011	252,000	350,000	-	-	884,011
336,000	248,000	-	-	-	584,000
336,000	122,000	-	-	-	458,000
336,000	332,000	-	71,000	-	739,000
336,000	248,000	-	71,000	-	655,000
336,000	290,000	-	-	98,000	724,000
336,000	290,000	-	71,000	98,000	795,000
336,000	332,000	-	-	-	668,000
4,688,626	3,585,000	2,265,000	332,000	294,000	11,164,626

REMUNERATION OF MANAGEMENT

For the remuneration of the management, CPN 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 CPN's 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 2016 are as follows:

- **Salaries and Bonuses**

CPN contributed remuneration in form of salaries and bonuses paid to 13 executive managements in 2016 amounted to Baht 104,658,774.

- **Provident Fund**

CPN contributed the Provident Fund paid to 13 executive managements in 2016 amounted to Baht 6,727,286.

CONNECTED TRANSACTIONS

CPN's core business is provision of retail space rental, other relevant businesses, and promotion of the Company's business operation. The long history of success during its business operation is partly due to the fact that CPN is one of business lines within Central Group, the constant leader in retail business. Central Group encompasses various businesses, ranging from department stores, hotels, restaurants, to retail shops of various brands and products, which are anchor and retail tenants within CPN's shopping complexes. It can be said that the alliance businesses within Central Group support CPN to increase its rental rate and build confidence among other prospects to become new tenants. These help guarantee the success of CPN's projects and therefore, the high profits are yielded to CPN shareholders from such mutual relationship explained above. In fact, CPN and Central Group are two related business alliances, and such alliance businesses create synergies that benefit CPN. The Board of Directors and Audit Committee ensure that the transaction is in compliance with the relevant law, regulations, and rules.

CPN and its subsidiaries conducted transactions with connected parties with potential conflicts of interest, as disclosed financial statements of 2016. Most of the connected transactions were engaged with Central Holding Co., Ltd., and the Chirathivat Group as described below:

CONNECTED TRANSACTIONS WITH RELATED PARTIES

1. Revenue from connected parties

comprises revenue from space rental and utility service fee in shopping complexes, revenue from land rental, and management fees, as well as revenue from other sources, including insurance premiums, property taxes, sales promotion expenses, warrant fees, and other fees for various services collected from connected parties. Total amount of revenue from connected parties in 2016 was 4,600 MB.

Justification and Rationale for Connected Transactions

CPN's core business is the provision of space for rent and services in shopping complexes, office buildings, residential condominiums, food centers, water parks, and recreational parks located on the premises of shopping complex projects. The company is also the provider of utility services in shopping complexes. Various businesses in the Central Group are inter-related and complementary of one another – department stores, supermarkets, retail shops, and various leading branded restaurants. Most of the revenue is earned from doing business under normal business conditions and under general commercial conditions made with the Central Group, with high growth potential and secure financial status. In addition, businesses under popular brands, including department stores, supermarkets, retail shops and restaurants, can draw more customers to CPN's shopping complexes. This, as a consequence, produces higher returns to CPN and its shareholders. The Company's policy on the rates of rental and services collected from connected parties are as follows:

- **Rates of rental, service fees, and utility fees** from space rental in shopping complexes collected from businesses are based on market prices. Compared with other space for rent in the vicinity, or in the same class, CPN's rental rates and service fees are comparable. Rental rates are subject to locations, area sizes, forms, periods, and categories, and are in line with normal business practice following the condition of general trading.
- **Other types of revenue** come from the collection of insurance premiums, property taxes, sales promotion expenses, warrant fees, and other service fees from tenants in shopping complexes. CPN's policy is to standardize revenue collection from both connected parties and general customers, based on the actual cost, space rental category, and the usual business practice following the condition of general trading.
- **Revenue from land lease** occurs at some properties where CPN and other companies in the Central Group have a project on the same piece of land, taking into account the marketing advantage and the size of the project. In this case, one of the companies in the Group will act as the buyer or tenant of the whole piece of land from the landlord and will divide the land

into various sizes as needed by other companies, and have those companies lease or sub-lease. The rental is the cost plus actual interests or market price which evaluated by the independent appraiser. Furthermore, the Company's assets were evaluated under SEC, SET and other related regulations and transactions concerning revenue from land leases are verified by the auditor.

- **Revenue from large space rental in shopping complexes** is agreed at the stage of project design. Rental is derived from the costs of land and construction plus actual interests as well as operating expenses. Most transactions in this category were conducted before the listing of the Company on SET. The Company's assets were evaluated under SET regulations and transactions concerning income from large space rental are verified by the auditor.

Details of Revenue Derived from Connected Parties

Detail	Connected Party	Relationship	Transaction value (MB)
1. CPN earns revenue from rental, service fees, utility fees, and other revenue from leasing retail areas in shopping complexes and office building. The transactions in this category occur in the course of normal business following the condition of general trading.	1. Central Department Store Group (CDG) ⁽¹⁾	Majority share held by the Chirathivat Group	1,669
	2. Central Food Retail Group (CFG) ⁽²⁾		581
	3. Central Hardlines Group (CHG) ⁽³⁾		289
	4. Central Online Group (COL) ⁽⁴⁾		174
	5. Central Marketing Group (CMG) ⁽⁵⁾		543
	6. Centara Hotels and Resorts Group (CHR) ⁽⁶⁾		92
2. CPN has made a sub-lease contract for land and part of the building in the premises of CentralWorld Project ⁽⁹⁾	7. Central Restaurants Group (CRG) ⁽⁷⁾	Related parties of CPN are serve as major shareholders, directors, management or controlling persons	427
3. CPN has made a sub-lease contract for part of land in the premises of CentralFestival Samui Project ⁽¹⁰⁾	8. Other businesses ⁽⁸⁾		825

Remark:

⁽¹⁾ CDG runs department stores, which comprise Central Department Store, Robinson Department Store, Zen Department Store, Central Embassy Shopping Center, SuperSports, La Rinascente Department Store and ILLUM Department Store, etc.

⁽²⁾ CFG operates consumer goods retailers, which comprise Central Food Hall, Tops Supermarket, FamilyMart, EATHAI and Central Wine Cellar

⁽³⁾ CHG operates home decoration, electronic and construction products retailers, which comprise PowerBuy, HomeWorks, baan & BEYOND and Thai Watsadu

⁽⁴⁾ COL operates stationery shops, bookstores, and office supplies solution providers through both in-store and online formats, which comprise OfficeMate and B2S

⁽⁵⁾ CMG manages imported consumer goods bearing both international and house brands in categories as follows.

- Apparels : such as Dorothy Perkins, Hush Puppies, G2000, Jockey, Lee, Miss Selfridge, Wrangler and Topshop Topman, etc.

- Cosmetic : such as CLARINS, Laura Mercier, and Illamasqua, etc.

- Watches : such as Guess, Casio and Nautica, etc.

- Miscellaneous : such as Dyson, Tanita and Kawai, etc.

⁽⁶⁾ CHR operates hotels and resorts in Centara Group.

⁽⁷⁾ CRG operates Quick Service Restaurants in various brands such as Mister Donut, KFC, Auntie Anne's, Pepper Lunch, Chabuton, Cold Stone Creamery, Yoshinoya, Ootoya, The Terrace and Tenya, etc.

⁽⁸⁾ Other businesses such as Fuji Japanese Restaurant, Zen Japanese Restaurant, AKA, Sakura Restaurant, Bar-B-Q Plaza, Thai Privilege Health Care Spa, Body Shop and Ragazze, etc.

⁽⁹⁾ The Thai Business Fund 4 has made a sub-lease contract with Central World Hotel Co., Ltd. for land and part of the building in the premises of CentralWorld Project with land area of 2.53 rai. Under the contract, which is valid for 29 years until 2032, CHR agreed to use the mentioned land and building for the development of a hotel, a parking lot, and a convention hall. The rental is calculated by the cost plus actual interests

and paid to CPN into two parts, one of which is the rental that was paid in the year when the agreement was signed and the other is the annual rental.

⁽¹⁰⁾ Central World Co., Ltd. has made a sub-lease contract with Cosi Hotels Co., Ltd. for part of land in the premises of CentralFestival Samui Project with land area of 2 rai and 73 square wa to develop hotel business. With the contract ending on September 27, 2043, the sub-leasing duration covers approximately 27 years and 2 months. With rights to extend the sub-leasing duration for another 10 years, the sub-lease covers 37 years and 2 months in total. CPN receives total sub-leasing value worth 62 MB throughout the sub-lease period.

2. Expenses paid to connected parties

comprise expenses for space rental in shopping complexes, land rental, and management fees. In 2016, CPN paid altogether 1,181 MB to connected parties.

Justification and Rationale for Connected Transactions

- **Rental of land from connected businesses** occurs in projects where CPN and other companies in the Central Group have a joint development plan on the same piece of land, taking into account the marketing advantage and the suitable size of the project. In this case, one company will act as the buyer or tenant of the land from the landlord and will divide the land into different sizes as required for leasing or sub-leasing. The rental will be the cost plus actual interests or market price which evaluated by the independent appraiser. The Company's assets were evaluated under SEC, SET and other related regulations. In addition, the transaction concerning rental payments are verified by auditor.
- **Large space rental in shopping complexes** occurs in projects where CPN has a joint investment with a department store in the Central Group. The building will be divided into two parts, the shopping complex and the department store. In some cases, CPN will rent large space in a department store and develop it into a sales area, considering mainly the revenue from rental and service fees compared with the cost of space rental that CPN has to repay the department store. An agreement on the cost of large space rental is reached at the stage of project design under the same criteria as those used for large space rental to connected businesses. Most

such transactions occurred before the listing of the Company on SET. The Company's assets were evaluated under SEC, SET and other related regulations. In addition, the transactions concerning rental payments of large space rental are verified by auditor.

- **Hiring a connected business as management consultant**
CPN's consideration to hire a management consultant is mainly based on its experience in the retail business and the understanding of the nature and strategies of the business. The management fees paid to management consultant, who is also the Company's connected business, are the actual expenses the service provider incurs in its services.
- **The application for insurance with a connected business** is considered the market price and conditions or the best coverage offered from insurance agents by compare the price in the past 2 years. In case of only one insurance agent make a quotation, the Company shall consider by compare the price in the past year, it depend on the conditions and insurance market situation.
- **Hiring of IT Infrastructure Management with a connected business** for maximum and optimal efficiency in IT infrastructure in the investment, system administration, and personnel development aspects. Savings arise with the economies of scale along with bargaining power over IT transactions. Conditions and service fees are based on actual costs, which are comparable to market rates as well as CPN-administered fees. Every two years, the average fees undergo revisions for baseline fees.

Details of Expenses paid to connected parties

- 2.1 CPN rents land from Central Department Store Co., Ltd., the company in CRC which Chirathivat Group is major shareholder, to launch shopping complexes in CentralPlaza Ramindra and CentralPlaza Pinklao projects.
- 2.2 CPN rents parts of the buildings belonging to Central Department Store Co., Ltd., which Chirathivat Group is major shareholder, in CentralPlaza Lardprao, CentralPlaza Pinklao, and CentralPlaza Ratchada-Rama III projects for development into retail areas in addition to the parts where CPN holds land ownership or land rental rights.

- 2.3 CPN sub-rents some part of land and building in CentralPlaza Lardprao from Central International Development Co., Ltd. ("CID"), which Chirathivat Group is major shareholder (ownership of the land is held by the State Railway of Thailand). Under the sub-lease contract which is valid for 20 years ended on December 18, 2028. Total sub-lease payment that CPN will pay to CID according to the contract is 16,178.32 MB. This transaction was approved by the shareholders with no conflict of interest in the EGM No.1/2009 on March 25, 2009.
- 2.4 CPN hired Harnng Central Department Store Co., Ltd. ("HCDS") which Chirathivat Group is major shareholder, to manage the business, provide management consultation, set up policies, and provide recommendations for running businesses. The directors with no conflict of interests and the Audit Committee have agreed that the service provided by HCDS is beneficial to CPN's business operation due to HCDS's experience, knowledge and understanding in retail business. In addition, the offered terms and conditions of the agreement from HCDS are reasonable. The transaction details were disclosed to the Stock Exchange of Thailand on December 7, 2016.
- 2.5 Centara Udonthani Hotel (formerly named "Charoensri Grand Hotel") which CPN acquired accompany with the CentralPlaza Udonthani Project (formerly named "Charoensri Plaza") since 2009, hired Central Plaza Hotel Co., Ltd. the subsidiary of CHR, which Chirathivat Group is major shareholder, to manage the hotel. The management fee is according to the market price and comparable to the transaction with the other persons.
- 2.6 CPN has signed a 30-year lease on a plot of land with Vantage Ground Co., Ltd. ("Vantage"), a company in Central Group which Chirathivat Group is a major shareholder, for developing CentralPlaza WestGate Project. This contract will end on February 17, 2043. Total upfront and annual rental fee, which CPN has to pay to Vantage for the whole duration of the contract, is 5,099 MB. This transaction was approved by the shareholders with no conflict of interest in the EGM No.1/2013 on January 18, 2013. The Board of Directors of CPN at its meeting No. 4/2015, dated August 7, 2015, approved the revocation of part of the land lease for CentralPlaza WestGate Project with Vantage, so that Vantage may sell the land as mentioned to the IKANO Group of companies for IKEA Store construction. In return for this revocation, Vantage has agreed to refund the upfront fee and rental fee paid by CPN under the conditions of the land lease, amounting to about Baht 120 million.
- 2.7 CPN invested in part of the assets under the CentralFestival Phuket 1 Project with Central Department Store Co., Ltd. ("CDS"), a company in Central Group which Chirathivat Group is a major shareholder. This investment consisted of 41-year land subleasing where the project is located, the contract ending on June 6, 2056; a partial lease of the project building (excluding Central Department Store there); and ownership transfer of utility systems, relevant equipment and furniture. Altogether, the compensation for lease, annual rent, and ownership transfer fees that CPN must pay CDS through the lease period amounts to Baht 9,166 million, which has secured approval from the shareholders without vested interests at the 2015 AGM on April 24, 2015.
- 2.8 CPN purchased some merchandises and services from the businesses in Central Group; COL such as purchasing office supplies, CHR such as rental room and service in the hotel included food and beverage, CRG such as purchasing food and beverage, and other businesses which related parties of CPN are serve as major shareholders, directors, management or controlling persons. The transactions in this category occur according to support normal business and following the condition of general trading that comparable to the transaction with the other persons.
- 2.9 CPN took out insurance for shopping complexes and office buildings against any accidents, disasters, and other detrimental incidents with CG Broker Co., Ltd., which Chirathivat Group is major shareholder.
- 2.10 CPN hired RIS, a company in Central Group which Chirathivat Group is a major shareholder, to provide IT infrastructural management, namely the procurement and installation of essential IT and communication equipment, namely hardware and software, maintenance and control of applications to efficiently accommodate business applications, and provide troubleshooting through service desks and hardware to CPN.

3. Loans between CPN and connected parties

Justification and Rationale for Connected Transactions

Policies on loans between CPN and connected parties

All loans must comply with the following policies on loans between CPN and connected parties:

- CPN and subsidiaries (those with 99.99% shares held by CPN)
CPN allows subsidiaries to borrow from CPN and vice versa if the subsidiaries have working capital surplus and CPN needs such money. In this case, current accounts are set up with CPN and promissory notes are prepared as evidence with the average interest rate of unsecured debt securities issued by the Company. Connected transaction approvers consist of the Vice President for Finance, the Senior Executive Vice President for Finance & Accounting, and the President & CEO, respectively.

- CPN and joint-venture partners (those with 50 to 99.99% shares held by CPN) CPN allows joint-venture partners to secure their own sources of fund. In urgent cases, however, they may borrow from shareholders in proportion to their shareholding in CPN. Approval is needed from the Senior Executive Vice President for Finance & Accounting, the President & CEO, and the Board of Directors, respectively. In this case, promissory notes are prepared as evidence and with the average interest rate of unsecured debt securities issued by the Company.
- CPN and associated companies (those with less than 50% shares held by CPN) or connected parties

CPN has no policy to let associated companies, with CPN holding less than 50% shares, or connected parties borrow from it. In fact, no such instance has happened. According to CPN's regulations, if a loan is extended to an associated company, approval is needed from the Board of Directors with promissory notes as evidence and with commercial banks' MLR applied.

Loans between CPN and connected parties

Description as at December 31, 2016	Amount (MB)	Financial Statements of
1. Loans		
1) Loans obtained from subsidiaries ⁽¹⁾	19,261	CPN
2) Loans obtained from related parties ⁽²⁾	-	Consolidated
2. Loans ⁽³⁾		
1) Loans granted to subsidiaries	12,590	CPN
2) Loans granted to related parties	-	Consolidated

Remarks:

⁽¹⁾ These items without collaterals are payable on demand and carry interest at the average interest rate of unsecured debt securities issued by the Company.

⁽²⁾ These items without collaterals are payable on demand and carry interest at the commercial banks' MLR.

⁽³⁾ These items without collaterals are payable on demand and carry interest at the average interest rate of unsecured debt securities issued by the Company.

4. Guarantees for loans for connected parties

Justification and Rationale for Connected Transactions

CPN's policy is to provide loan guarantees for its subsidiaries in proportion to its shareholding but has no policy of placing assets for such loan guarantees. However, CPN does provide guarantees as its parent company, and collects commissions from subsidiaries for such guarantees.

CPN had two categories of guarantee obligations to connected parties:

Description as at December 31, 2016	Amount (MB)
1. Guarantees for subsidiaries' outstanding loans	
- Thai Business Fund 5	107
2. Loan ceiling guarantees for subsidiaries' public utilities guarantees given to Thai commercial banks	167

APPROVAL PROCEDURE OF CONNECTED TRANSACTIONS

All transactions with connected businesses or individuals must go through an approval process, as stipulated by the Company's regulations, in the same way as normal transactions. Approvals are given by authorized persons in each duty and responsibility. Each person in charge of and involved in the transaction would have to make reasonable judgment under the normal business practice, taking into account the best interests of the Company and shareholders, like engaging in transactions with outsiders. All transactions with connected parties must also be lawfully conducted to ensure transparency and compliance with the relevant laws, rules, and regulations. The Company has instituted that normal business practice and supporting normal business practice with operation under the condition of general trading set by the Committee are under the jurisdiction of the operational task forces to deliberate the transaction in accordance with the Company's approval procedure. Other transactions are deliberated by its category and size, with the Office of Company Secretary taking charge of compliance with SET regulations as well as occasionally collecting and summarizing connected transactions

for the Audit Committee's acknowledgment. CPN has announced its "Connected Transaction Policy" and communicated to all relevant parties for compliance. The Committee and the management must sign their names at year's end to ensure that no transactions with conflicts of interest occurred in the past year. If there was any, it was done in compliance with SET regulations. Transactions between connected parties and the Company are scrutinized by the Office of Internal Audit and External Audit to ensure the Company's compliance with laws and related regulations.

POLICY OR TREND FOR FUTURE CONNECTED TRANSACTIONS

Since transactions with connected parties represent those conducted in the course of normal business practice, it is expected that connected transactions will continue to take place in future. Especially for the one related to joint development of shopping complexes with other companies in the Central Group, it is the strong point that helps promote CPN's successful operation and contributed to its market leadership from past to present. The policy or trend for future connected transactions remains

committed to the same principle as the previous year, namely following the condition of general trading and taking into account the benefit of the Company and shareholders. CPN's Board has clearly approved the condition of normal trading in the Company's and its subsidiaries' transaction with connected parties for transparent business operation and the operational guidance for related parties as follows:

1. Joint Shopping Complex Development with Companies of the Central Group

*** It is an open principle that has been practiced since the Company was enlisted on SET in 1995***

To develop an integrated shopping complex, it is necessary to have components enhancing the Company's strength. Companies in the Central Group operate related businesses with CPN, such as department store, retail business, and hotels. With their long experience in the industry and strong brand, these companies can enhance the project's credibility, resulting in stronger business operation as well as Company's and shareholders' added value. Below are the characteristics of joint shopping complex development with other companies in the Central Group.

1.1 Land Purchase/Sale or Leasing/ For Rent

Principles: CPN and other companies in the Central Group make a purchase or leasing from outsiders for joint shopping complex development. The process is to have a company buy or rent a whole plot of land from the landlord. Once the project design is completed, that company sells or sub-leases the land to other companies in proportion to each company's need to develop its own project. (Each takes responsibility for its own plot of land.)

Price and condition setting: Cost plus cost of fund

1.2 Construction of Shopping Complexes and Department Stores or Business Units (BUs)

Principles: Each holds the ownership of land on which its building is situated. Each is therefore responsible for its own construction cost.

Price and condition setting: actual cost with the independent engineering consultant fairly calculating the construction cost and system according to the proportion of actual area use.

1.3 Construction of common areas, comprising car parks and landscape

Principles:

- CPN holds the ownership of the car park and the outer section of shopping complexes. It also takes responsibility for the costs of all common areas, considered part of the service provided to tenants.
- Department stores or BUs jointly take responsibility for construction according to operational guidance as follows:
 - 1) Car parks: At no less than half of the construction costs provided by department stores for customers as required by law
 - 2) Common areas: In proportion to the gross area
 - 3) Price and condition setting: Actual cost - with the independent engineering consultant fairly calculating the construction cost and system according to the proportion of actual area use.

1.4 Large Space Rental or Space for Rent in Shopping Complexes

Principles: CPN may rent or rent out large areas of department stores or Bus, and the lease will be agreed at the stage of project design.

Price and condition setting: Cost of land and construction plus cost of fund and operating expense

2. Space rental, service fee and utility fee

Principle: In charging short-term or long-term rental, service fees or utility fees from various retail businesses under the Central Group or connected parties that rent the retail space for other purposes, the price will be set by comparison with the one for profitable clients. Rental rates are subject to locations, area

sizes, forms, rental patterns, periods, and categories. The benefits earned are not only rentals, service fees, and utility fees, but also the potential in business operation, experience and success in joint business from past to present.

Price and condition setting: Set a price by comparing with the one for profitable clients.

“Profitable customers” means clients with high potential, who rent large retail space or in many projects and provide direct or indirect support for the Company’s successful operation.

The Central Group conducts connected businesses with various companies and with potential connected transactions. Since its establishment, the Central Group has been potential business alliance and it has provided great support to CPN’s successful operation. As a result, CPN remains the source of continually connected transactions. For price and condition deliberation, CPN still takes its best interests into account.

3. Fee for Operating Expenses

“Operating Expenses” are insurance premiums, property taxes, promotional expenses, recognizance fees, and service fee collected by tenants

Principles: Asset management incurs operating expenses. In normal business practice, the company charges these expenses by calculating from the actual operating cost. The rate, in the same standard for general customers, depends on lease categories and space rental patterns.

Price and condition setting: Actual cost

4. Insurance/Group Health Insurance

Principles: Comprehensively and equally provide relevant and necessary information for the price offer to each insurance broker. The committee considers the selection of these brokers. In the process, no connected committee or connected management members can attend the deliberation.

Price and condition setting: Market price or compared price from the price offered by the insurance broker with the most reasonable amount and the most beneficial conditions for the Company. The price can be compared at least two years backward. In case there is no comparable offer, the Company deliberates the approval by comparing prices with those of the previous year, depending on the insurance conditions and market situation during that period.

5. Procurement - Employment

“Procurement” means the purchase of materials, equipment or products, including rental or hire purchase

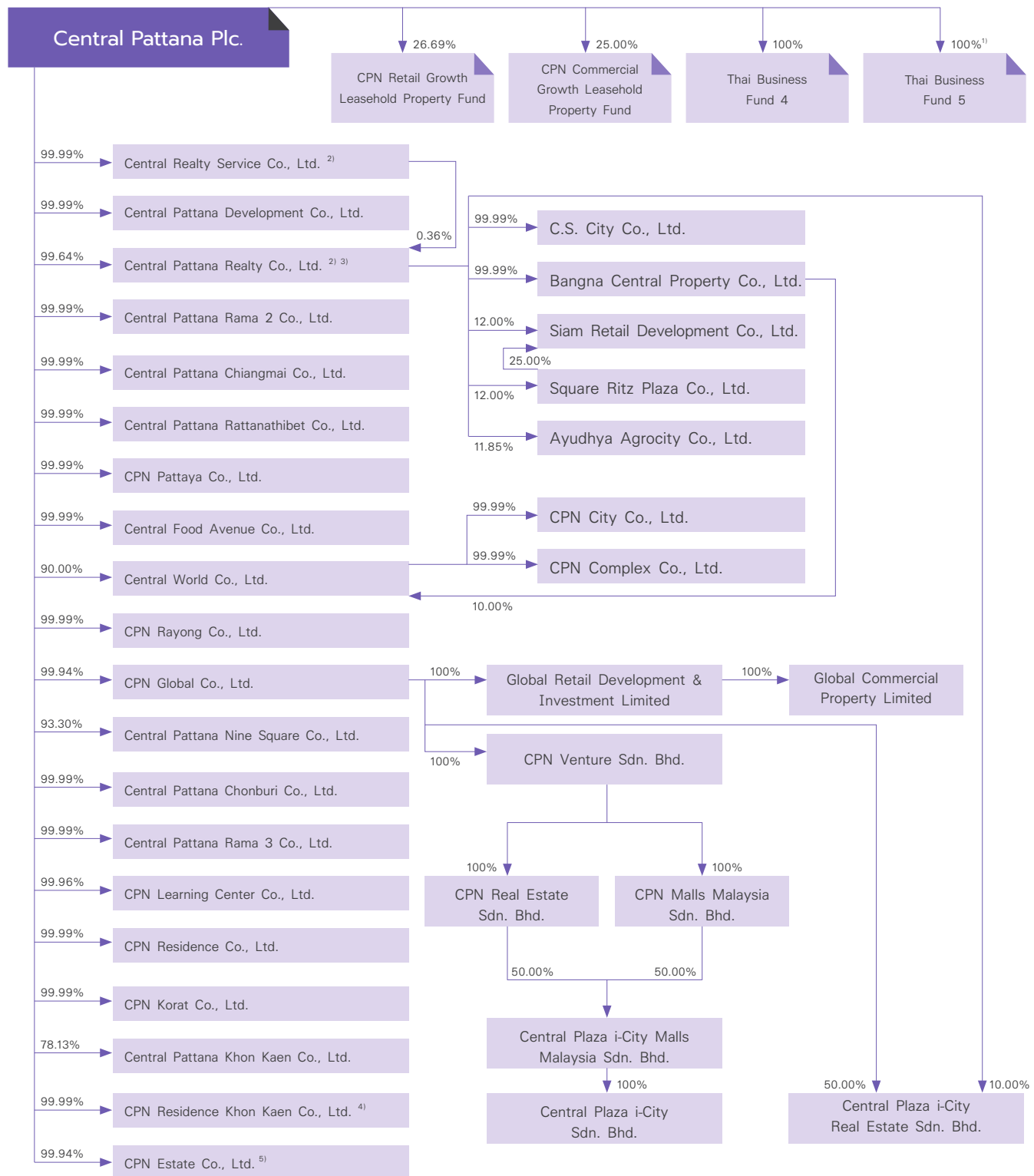
“Employment” means to hire a seller, manufacturer, contractor or organizer to produce, organize, manage, assemble or construct from the beginning stage to completion, including service provision, inclusive service, and transportation.

This includes the package purchase or hiring of a given contractor to construct buildings and install equipment while managing construction project as well.

Principles: Follow the Company’s procurement regulations and process. In selecting the seller or contractor, CPN will proceed with transparency and fairness according to the stated procurement policy. In the process, no connected committee or connected management can attend the deliberation.

Price and condition setting: Market price or compared price from the price offering with the most reasonable amount and the most beneficial conditions for the Company.

GROUP STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES



- Remarks:
- Only proportion unit holder of owner type except unit holders of lender type.
 - Registered the dissolution of Central Realty Services Co., Ltd. of which businesses were transferred to Central Pattana Realty Co., Ltd. on October 12, 2016. The current status is on liquidation process.
 - Formerly Langsuan Realty Co., Ltd., changed to Central Pattana Realty Co., Ltd. on June 22, 2016.
 - The shareholding was restructured as in the announcement to SET on September 29, 2016.
 - CPN Estate Co., Ltd. was established on June 6, 2016.

REVENUE STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES

Unit: MB

Type of Business / Operated By	% of Shareholding	Year 2012		Year 2013		Year 2014		Year 2015		Year 2016	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Shopping Centers		14,505	79.10%	17,522	79.58%	19,743	79.93%	21,577	81.46%	24,537	81.48%
- Central Pattana Plc.											
- Central Pattana Chiangmai Co., Ltd.	99.99%										
- Bangna Central Property Co., Ltd.	99.99%										
- Central Pattana Rama 3 Co., Ltd.	99.99%										
- Central Pattana Rama 2 Co., Ltd.	99.99%										
- Central Pattana Rattanathibet Co., Ltd.	99.99%										
- CPN Pattaya Co., Ltd.	99.99%										
- Central World Co., Ltd.	99.99%										
- Central Pattana Khon Kaen Co., Ltd.	78.13%										
- Central Pattana Chonburi Co., Ltd.	99.99%										
- Central Pattana Nine Square Co., Ltd.	93.30%										
- Central Pattana Development Co., Ltd.	99.99%										
- CPN Rayong Co., Ltd.	99.99%										
Office Buildings		794	4.30%	579	2.63%	612	2.48%	638	2.41%	667	2.21%
- Central Pattana Plc.											
- Bangna Central Property Co., Ltd.	99.99%										
- Central Pattana Nine Square Co., Ltd.	93.30%										
Hotels		712	3.90%	903	4.10%	958	3.88%	983	3.71%	998	3.31%
- Central World Co., Ltd.	99.99%										
- CPN Pattaya Co., Ltd.	99.99%										
Residential Properties		18	0.10%	19	0.08%	17	0.07%	10	0.04%	1	0.003%
- Central Pattana Realty Co., Ltd. ¹⁾	99.99%										
- Bangna Central Property Co., Ltd.	99.99%										
Water Park and Recreation Park		8	0.00%	8	0.04%	3	0.01%	7	0.03%	42	0.14%
- Central Pattana Plc.											
- Central Pattana Rama 2 Co., Ltd.	99.99%										
- Bangna Central Property Co., Ltd.	99.99%										
Food Centers		725	4.00%	882	4.01%	975	3.95%	1,068	4.03%	1,389	4.61%
- Central Food Avenue Co., Ltd.	99.99%										
- Central Pattana Chiangmai Co., Ltd.	99.99%										
- Bangna Central Property Co., Ltd.	99.99%										
- Central Pattana Rama 2 Co., Ltd.	99.99%										
- Central Pattana Rattanathibet Co., Ltd.	99.99%										
- Central World Co., Ltd.	99.99%										
- Central Pattana Development Co., Ltd.	99.99%										
Interest Income		78	0.40%	98	0.44%	61	0.25%	24	0.09%	27	0.09%
Share of Profits from investment in associates and joint ventures		584	3.20%	686	3.12%	813	3.29%	749	2.83%	853	2.83%
Others		925	5.00%	1,321	6.00%	1,518	6.14%	1,431	5.40%	1,600	5.31%
Total Revenues ²⁾		18,349	100%	22,018	100%	24,700	100%	26,486	100%	30,114	100%

Remark: ¹⁾ Formerly Langsuan Realty Co., Ltd., renamed to Central Pattana Realty Co., Ltd. on June 22, 2016.²⁾ Excluding non-recurring items.

CAPITAL STRUCTURE

CPN's capital structure, as at December 31, 2016, was as follows:

1. CAPITAL STRUCTURE

Common shares

Authorized share capital	2,244,000,000	Baht
Paid-up share capital	2,244,000,000	Baht
Number of common shares	4,488,000,000	Shares
Par value	0.50	Baht
Share price	56.75	Baht

Unsecured and unsubordinated debentures

Debenture	Credit Rating	Amount (MB)	Issuance Date	Life (year)	Interest Payment Cycle	Repayment of Principle	Maturity Date	Balance as at Dec 31, 2016
CPN18OA	AA-	500	12/10/2011	7	Every 3 months	Upon maturity	12/10/2018	500
CPN21OA	AA-	300	12/10/2011	10	Every 3 months	Upon maturity	12/10/2021	300
CPN171A	n/a	1,000	23/12/2011	5.1	Every 6 months	Upon maturity	23/01/2017	1,000
CPN176A	AA-	1,000	01/06/2012	5	Every 6 months	Installment started	01/06/2017	150
CPN172A	AA-	1,500	19/02/2014	3	Every 6 months	Upon maturity	19/02/2017	1,500
CPN174A	AA-	500	04/04/2014	3	Every 6 months	Upon maturity	04/04/2017	500
CPN19NA	n/a	1,000	07/11/2014	5	Every 6 months	Upon maturity	07/11/2019	1,000
CPN221A	AA-	1,000	02/06/2015	6.6	Once on the maturity date	Upon maturity	12/01/2022	1,000
CPN188A	AA-	1,400	06/08/2015	3	Every 6 months	Upon maturity	06/08/2018	1,400
CPN208A ¹⁾	AA-	1,400	06/08/2015	5	Every 6 months	callable after the 3 rd year	06/08/2020	1,400
CPN228A ¹⁾	AA-	800	06/08/2015	7	Every 6 months	callable after the 5 th year	06/08/2022	800
CPN20DA ¹⁾	AA-	800	16/12/2015	5	Every 6 months	callable after the 3 rd year	16/12/2020	800
CPN21DA ¹⁾	AA-	800	16/12/2015	6	Every 6 months	callable after the 4 th year	16/12/2021	800
CPN22DA ¹⁾	AA-	600	16/12/2015	7	Every 6 months	callable after the 5 th year	16/12/2022	600

Remarks: ¹⁾ The Issuer has the right to make early redemption in full or in part of the debenture before the maturity date

²⁾ Average applicable annual loan interest rate of 3.68% per annum

Company Financial Ratios following the Debenture's Rights and Conditions	Covenant Ratios	As at Dec 31, 2016
1. Total Debt to Total Shareholders' Equity	Not over 2.50 times	0.97 times
2. Total Interest Bearing Debt to Total Shareholders' Equity		
2.1 Before deducting cash and cash equivalents, and current investments	Not over 1.75 times	0.34 times
2.2 After deducting cash and cash equivalents, and current investments	Not over 1.75 times	0.28 times
3. Total Assets (excluding Secured Debt) to Unsecured Debt	Not less than 1.50 times	4.95 times

Shareholders

CPN's shareholding distributions as at December 31, 2016 are:

Shareholders	Shares	Shareholding (%)
Registered Capital	4,488,000,000	100.00%
Local Shareholders		
- Juristic persons	1,801,714,407	40.15%
- Persons	1,361,889,012	30.34%
Total	3,163,603,419	70.49%
Foreign Shareholders		
- Juristic persons	1,296,177,331	28.88%
- Persons	28,219,250	0.63%
Total	1,324,396,581	29.51%

Top ten major shareholders as at December 31, 2016 are:*

Shareholders	Shares	Shareholding (%)
1. CENTRAL HOLDING CO., LTD.	1,176,343,960	26.21%
2. THAI NVDR CO., LTD	235,946,234	5.26%
3. STATE STREET BANK EUROPE LIMITED **	207,074,483	4.61%
4. HSBC (SINGAPORE) NOMINEES PTE LTD **	129,875,200	2.89%
5. CHASE NOMINEES LIMITED **	96,045,991	2.14%
6. BANK OF SINGAPORE LIMITED-SEG **	93,025,620	2.07%
7. THE BANK OF NEW YORK MELLON	88,274,400	1.97%
8. CREDIT SUISSE AG, HONG KONG BRANCH **	77,344,160	1.72%
9. BANK OF SINGAPORE LIMITED **	61,850,648	1.38%
10. SOCIAL SECURITY OFFICE	59,995,300	1.27%
Total	2,225,775,996	49.52%

Remarks: * 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.

Major shareholders who have significant de facto influence on policies or operations of CPN

Since Central Holding Co., Ltd., and members of the Chirathivat family altogether hold approximately 53% of the total shares in CPN, they have significant de facto influence on its policy formulation and operations. This is because 7 out of 12 members of the Board are representatives of these major shareholders.

Foreign Limit in Shareholding

CPN has set a foreign limit of 30% of the paid-up capital. As at December 31, 2016, foreign investors altogether held 29.51% of CPN's total paid-up capital.

Directors and executives holding CPN shares in 2016, are as follows:

No.	Name	Position	No. of Shares As at January 1, 2016		
			Direct	Indirect ⁽²⁾	Total
1.	Mr. Suthichai Chirathivat	Chairman	3,312,800	22,293,200	25,606,000
2.	Mr. Paitoon Taveebhol	Independent Director	-	-	-
3.	Mr. Karun Kittisataporn	Independent Director	-	-	-
4.	Mrs. Jotika Savanananda	Independent Director	-	-	-
5.	Mr. Veravat Chutichetpong	Independent Director	-	-	-
6.	Mr. Suthikiati Chirathivat	Director	22,645,900	-	22,645,900
7.	Mr. Suthichart Chirathivat	Director	12,972,400	18,636,400	31,608,800
8.	Mr. Sudhisak Chirathivat	Director	28,346,400	-	28,346,400
9.	Mr. Sudhitham Chirathivat	Director	26,764,600	-	26,764,600
10.	Mr. Kobchai Chirathivat	Director	27,105,400	113,000	27,218,400
11.	Mr. Prin Chirathivat	Director	42,145,895	192,000	42,337,895
12.	Mr. Preecha Ekkunagul	Director, President & CEO	-	3,000	3,000
13.	Mr. Suthipak Chirathivat	Senior Executive Vice President, Office of the President	25,589,600	-	25,589,600
14.	Ms. Wallaya Chirathivat	Senior Executive Vice President, Business Development and Project Construction	17,199,200	-	17,199,200
15.	Ms. Napat Sriwanvit	Senior Executive Vice President, Finance, Accounting and Risk Management	54,000	-	54,000
16.	Mrs. Panida Sooksridakul	Executive Vice President, Property Management	-	-	-
17.	Mrs. Rattana Anoontakaron	Executive Vice President, Leasing	-	-	-
18.	Major Narit Ratanaphichetchai	Executive Vice President, Project Development 1	50,000	-	50,000
19.	Mrs. Narttaya Chirathivat	Executive Vice President, Office of the President	17,102,200	-	17,102,200
20.	Ft.Lt. Kree Dejchai	Executive Vice President, Special Project Development	-	-	-
21.	Dr. Nattakit Tangpoonsinthana	Executive Vice President, Marketing	-	-	-
22.	Mr. Chanavat Uahwatanasakul	Executive Vice President, Business Development	-	-	-
23.	Mrs. Suwadee Singngam	Senior Vice President, Accounting and Administration	20,000	48,000	68,000

Remarks: ⁽¹⁾ The acquisition and disposition of securities were disclosed under an quarterly report on shareholding of directors and executive officers (Form 59-2).

⁽²⁾ Securities held by a spouse and / or minor children of directors or executive officers.

Changes in No. of Shares ⁽¹⁾ Increased/(Decreased) during 2016			No. of Shares As at December 31, 2016			Shareholding (%) As at December 31, 2016
Direct	Indirect ⁽²⁾	Total	Direct	Indirect ⁽²⁾	Total	
-	-	-	3,312,800	22,293,200	25,606,000	0.57
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	22,645,900	-	22,645,900	0.50
-	(9,318,200)	(9,318,200)	12,972,400	9,318,200	22,290,600	0.50
-	-	-	28,346,400	-	28,346,400	0.63
-	-	-	26,764,600	-	26,764,600	0.60
-	-	-	27,105,400	113,000	27,218,400	0.61
-	-	-	42,145,895	192,000	42,337,895	0.94
-	-	-	-	3,000	3,000	0.00
-	-	-	25,589,600	-	25,589,600	0.57
-	-	-	17,199,200	-	17,199,200	0.38
-	24,000	24,000	54,000	24,000	78,000	0.00
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(50,000)	-	(50,000)	-	-	-	-
-	-	-	17,102,200	-	17,102,200	0.38
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	20,000	48,000	68,000	0.00

2. DIVIDEND POLICY

The policy of CPN is to pay dividends not less than approximately 40% of its operating net profit from consolidated financial statement, except when there is a compelling reason not to. The dividend payment will not exceed the retained earnings in separate financial statement.

The policy of CPN's subsidiaries is to pay dividends when it has net profit and adequate cash flow balance. The dividend payment will depend on the consideration of the Board of Directors and shareholders of the subsidiaries and it will not exceed the retained earnings in financial statement.

RESPONSIBILITY OF THE BOARD OF DIRECTORS TO THE FINANCIAL STATEMENTS

The Board of Directors of Central Pattana Public Company Limited ("the Company") is responsible for the consolidated financial statements of the Company and its subsidiaries as well as financial information as presented in the annual report. The financial statements are prepared in conformity with Thai Financial Reporting Standards (TFRSs) which are appropriately applied on a consistent basis. Conservation judgment and best estimate are adopted in this preparation. In addition, all important information is adequately disclosed in the notes to financial statements.

The Board of Directors has set up and maintained an effective internal control to reasonably ensure that all accounting records are accurate, complete and sufficient to secure its assets. Moreover, all possible weakness could be found to prevent fraud or material unusual transactions.

The Board of Directors has appointed the audit committee which comprises independent directors, to control quality of financial report and internal control system. The opinion of the audit committee on this matter has already been presented in the audit committee report. The Board of Directors is of an opinion that internal control systems of the Company are in the satisfactory and sufficient level to reasonably build the confidence in the reliability of the consolidated financial statements of the Company and its subsidiaries as of December 31, 2016.



Mr. Suthichai Chirathivat
Chairman



Mr. Preecha Ekkunagul
Director President & CEO

**Central Pattana Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2016
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Central Pattana Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Central Pattana Public Company Limited and its subsidiaries (the “Group”) and of Central Pattana Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2016 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition	
Refer to Note 3 (q) to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
Revenue from rental and service are significant amounts in the financial statements. Those revenues are based on a large number of tenancy agreements and service agreements, each with variety of contractual terms and conditions including rental and service discounts given to tenants. Consequently, the accuracy and completeness of revenue recognition related tenancy agreements and service agreements is an area of focus for my audit.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - understanding the revenue recognition process by discussing these activities with the relevant management and reading a sample of tenancy agreements and service agreements to understand the key contractual terms and conditions to assist me in identifying the risks of inappropriate income recognition pertaining to the various revenue streams; - testing of internal control over the revenue process including key manual controls, including but not limited to, the controls on the approvals of lease contracts and changes to lease terms and the input of this information to the accounting system, controls on the invoice billings and collection process, controls on the approval of rental discount granted and credit note issued; - testing of systems-based controls over the revenue process with assistance of KPMG IT specialists including controls over system configuration of rental pricing data and billing process and the linkage to usage data that drives revenue recognition; - testing the recording of revenue from rental and service using a sampling basis and agreeing initial contractual terms and conditions stipulated in the lease agreements with related as documents including collection; and - assessing the adequacy of the disclosure in accordance with the related Thai Financial Reporting Standards.

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Bongkot Amsageam)
Certified Public Accountant
Registration No. 3684

KPMG Phoomchai Audit Ltd.
Bangkok
27 February 2017

Central Pattana Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
Assets	<i>Note</i>				
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	2,488,945,220	2,577,733,661	1,539,985,511	1,841,602,604
Current investments	6	714,829,937	1,748,018,000	565,143,991	1,591,174,055
Trade accounts receivable	4, 7	1,102,326,944	1,249,501,326	672,030,518	739,482,844
Other receivables	4, 8	1,924,457,452	1,548,803,230	1,131,517,419	982,477,652
Real estate projects under development	9	428,460,252	12,544,796	-	-
Short-term loans to related parties	4	-	-	624,577,121	133,431,948
Total current assets		6,659,019,805	7,136,601,013	4,533,254,560	5,288,169,103
Non-current assets					
Investments in subsidiaries and funds	10	-	-	24,455,496,988	24,259,247,304
Investment in associates and joint ventures	11	6,156,103,669	5,517,303,574	7,578,673,686	7,578,673,686
Long-term investments related-parties	6	66,250,000	66,250,000	-	-
Other long-term investments	6	3,230,700	2,216,153	3,230,700	1,000,000
Long-term loans to related parties	4	-	-	11,965,853,555	11,829,981,679
Investment properties	12	76,700,380,637	74,796,435,883	38,121,571,850	36,321,638,724
Property, plant and equipment	13	1,796,803,659	1,939,047,881	352,653,195	360,637,031
Leasehold rights	14	10,647,331,203	11,644,371,972	6,274,495,036	6,821,265,819
Right for usage of assets	15	481,771,302	197,010,216	372,836,173	64,425,217
Deferred tax assets	16	1,215,934,265	789,229,576	540,385,358	277,940,502
Other non-current assets	4, 17	800,522,928	956,165,880	468,633,305	453,319,711
Total non-current assets		97,868,328,363	95,908,031,135	90,133,829,846	87,968,129,673
Total assets		104,527,348,168	103,044,632,148	94,667,084,406	93,256,298,776

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
Liabilities and equity	Note	2016	2015	2016	2015
(in Baht)					
Current liabilities					
Trade accounts payable	4, 19	825,232,064	904,079,294	452,735,719	591,391,745
Other payables	4, 20	5,548,299,262	5,196,585,266	2,367,360,725	2,108,950,035
Short-term loans from related parties	4, 18	-	-	15,755,599,137	13,815,856,990
Current portion of account payable for leasehold right	4	-	33,333,333	-	33,333,333
Current portion of long-term loans	18	4,707,620,460	5,168,982,000	4,640,970,000	5,077,680,000
Current portion of advance received from rental and service income	4	682,447,731	664,062,270	87,961,860	72,365,483
Income tax payable		725,980,066	372,496,734	162,515,394	100,025,555
Contractor payables		2,388,823,882	3,190,358,744	1,805,458,251	2,530,325,801
Total current liabilities		14,878,403,465	15,529,897,641	25,272,601,086	24,329,928,942
Non-current liabilities					
Long-term loans from related parties	4, 18	-	-	3,460,148,735	3,505,587,391
Other long-term loans	18	13,196,667,220	17,454,287,680	13,156,190,000	17,347,160,000
Accounts payable for leasehold right	4	300,000,000	300,000,000	300,000,000	300,000,000
Deferred tax liabilities	16	35,150,933	76,594,163	-	-
Employee benefit obligations	21	312,079,148	274,543,724	266,553,576	234,731,301
Advance received from rental and service income	4, 36	15,679,144,770	15,786,750,091	2,071,987,785	1,729,250,688
Deposits received from customers	4	6,610,973,742	6,322,877,621	3,102,622,465	2,843,194,840
Provision for decommissioning and restoration		253,704,982	234,141,781	253,704,982	234,141,781
Guarantees received for leasehold rights	4	256,422,342	264,422,655	244,964,784	252,965,096
Total non-current liabilities		36,644,143,137	40,713,617,715	22,856,172,327	26,447,031,097
Total liabilities		51,522,546,602	56,243,515,356	48,128,773,413	50,776,960,039

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
Liabilities and equity	Note	2016	2015	2016	2015
<i>(in Baht)</i>					
Equity					
Share capital	22				
Authorised share capital		2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Issued and paid-up share capital		2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Premium on ordinary shares		8,558,557,850	8,558,557,850	8,558,557,850	8,558,557,850
Retained earnings					
Appropriated to legal reserve	23	224,400,000	224,400,000	224,400,000	224,400,000
Unappropriated		41,052,032,491	34,949,747,221	35,508,499,186	31,449,535,980
Other components of equity	23	(41,943,210)	(40,111,532)	2,853,957	2,844,907
Equity attributable to owners of the Company		52,037,047,131	45,936,593,539	46,538,310,993	42,479,338,737
Non-controlling interests		967,754,435	864,523,253	-	-
Total equity		53,004,801,566	46,801,116,792	46,538,310,993	42,479,338,737
Total liabilities and equity		104,527,348,168	103,044,632,148	94,667,084,406	93,256,298,776

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2016	2015	2016	2015
		(in Baht)			
Income					
Revenue from rent and services	4	25,246,527,485	22,231,356,081	13,039,124,372	10,582,180,165
Revenue from food and beverage	4	1,389,464,959	1,067,712,961	365,332,353	204,701,151
Revenue from hotel operation		997,708,008	983,496,368	-	-
Investment income	4, 25	26,996,313	24,447,379	4,940,195,618	4,574,941,594
Other income	4, 26	1,600,219,458	1,564,835,958	1,578,919,823	1,510,482,465
Total income		29,260,916,223	25,871,848,747	19,923,572,166	16,872,305,375
Expenses					
Cost of rent and services	4	12,629,537,595	11,449,731,376	7,385,858,371	6,175,665,190
Cost of food and beverage	4	1,085,564,106	852,070,940	280,948,836	159,467,148
Cost of hotel operation		325,496,518	331,920,217	-	-
Administrative expenses	4, 27	4,406,412,984	4,030,465,763	3,170,189,825	2,631,167,966
Finance costs	4, 30	633,460,339	508,714,089	1,251,273,521	1,096,033,824
Total expenses		19,080,471,542	17,172,902,385	12,088,270,553	10,062,334,128
Share of profit (loss)					
Associates	11	858,498,031	745,771,197	-	-
Joint ventures	11	(5,579,079)	3,533,219	-	-
Total		852,918,952	749,304,416	-	-
Profit before income tax expense					
		11,033,363,633	9,448,250,778	7,835,301,613	6,809,971,247
Income tax expense	31	(1,686,336,102)	(1,430,629,710)	(634,827,027)	(530,397,626)
Profit for the year		9,347,027,531	8,017,621,068	7,200,474,586	6,279,573,621
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		(2,665,089)	(1,519,446)	-	-
Net change in fair value of available-for-sale investments		833,411	1,452,802	9,050	(9,737)
Defined benefit plan actuarial losses		-	(46,360,441)	-	(43,920,588)
Other comprehensive income for the year, net of income tax		(1,831,678)	(46,427,085)	9,050	(43,930,325)
Total comprehensive income for the year		9,345,195,853	7,971,193,983	7,200,483,636	6,235,643,296

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

Central Pattana Public Company Limited and its Subsidiaries
Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in Baht)</i>			
Profit attributable to:					
Owners of the Company		9,243,796,650	7,880,309,769	7,200,474,586	6,279,573,621
Non-controlling interests		103,230,881	137,311,299	-	-
Profit for the year		9,347,027,531	8,017,621,068	7,200,474,586	6,279,573,621
Total comprehensive income attributable to:					
Owners of the Company		9,241,964,972	7,833,882,684	7,200,483,636	6,235,643,296
Non-controlling interests		103,230,881	137,311,299	-	-
Total comprehensive income for the year		9,345,195,853	7,971,193,983	7,200,483,636	6,235,643,296
Basic earnings per share	32	2.06	1.76	1.60	1.40

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

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

	Note	Consolidated financial statements										
		Retained earnings		Other components of equity								
				Other comprehensive income			Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity		
Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments (in Baht)	Surplus on business combination involving entities under common control						
Year ended 31 December 2015												
Balance at 1 January 2015		2,244,000,000	8,558,557,850	224,400,000	30,033,795,650	386,092	13,940,795	(54,371,775)	(40,044,888)	41,020,708,612	727,212,459	41,747,921,071
Transactions with owners, recorded directly in equity												
Distributions to owners of the Company												
Dividends to owners of the Company		-	-	-	(2,917,181,589)	-	-	-	-	(2,917,181,589)	-	(2,917,181,589)
Total transactions with owners, recorded directly in equity		-	-	-	(2,917,181,589)	-	-	-	-	(2,917,181,589)	-	(2,917,181,589)
Changes in ownership interests in subsidiary												
Restructuring of business		-	-	-	(816,168)	-	-	-	-	(816,168)	-	(816,168)
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	(505)	(505)
Total changes in ownership interests in subsidiary		-	-	-	(816,168)	-	-	-	-	(816,168)	(505)	(816,673)
Comprehensive income for the year												
Profit		-	-	-	7,880,309,769	-	-	-	-	7,880,309,769	137,311,299	8,017,621,068
Other comprehensive income		-	-	-	(46,360,441)	(1,519,446)	1,452,802	-	(66,644)	(46,427,085)	-	(46,427,085)
Total comprehensive income for the year		-	-	-	7,833,949,328	(1,519,446)	1,452,802	-	(66,644)	7,833,882,684	137,311,299	7,971,193,983
Balance at 31 December 2015		2,244,000,000	8,558,557,850	224,400,000	34,949,747,221	(1,133,354)	15,393,597	(54,371,775)	(40,111,532)	45,936,593,539	864,523,253	46,801,116,792

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

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

	Note	Consolidated financial statements								Total equity		
		Retained earnings		Other components of equity								
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments <i>(in Baht)</i>	Surplus on business combination involving entities under common control	Total other components of equity		Equity attributable to owners of the Company	Non-controlling interests
Year ended 31 December 2016												
Balance at 1 January 2016		2,244,000,000	8,558,557,850	224,400,000	34,949,747,221	(1,133,354)	15,393,597	(54,371,775)	(40,111,532)	45,936,593,539	864,523,253	46,801,116,792
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the Company</i>		-	-	-	(3,141,511,380)	-	-	-	-	(3,141,511,380)	-	(3,141,511,380)
Dividends to owners of the Company												
Total transactions with owners, recorded directly in equity		-	-	-	(3,141,511,380)	-	-	-	-	(3,141,511,380)	-	(3,141,511,380)
<i>Changes in ownership interests in subsidiary</i>												
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	301	301
Total change in ownership interests in subsidiary		-	-	-	-	-	-	-	-	-	301	301
Comprehensive income for the year												
Profit		-	-	-	9,243,796,650	-	-	-	-	9,243,796,650	103,230,881	9,347,027,531
Other comprehensive income		-	-	-	-	(2,665,089)	833,411	-	(1,831,678)	(1,831,678)	-	(1,831,678)
Total comprehensive income for the year		-	-	-	9,243,796,650	(2,665,089)	833,411	-	(1,831,678)	9,241,964,972	103,230,881	9,345,195,853
Balance at 31 December 2016		2,244,000,000	8,558,557,850	224,400,000	41,052,032,491	(3,798,443)	16,227,008	(54,371,775)	(41,943,210)	52,037,047,131	967,754,435	53,004,801,566

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

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

		Separate financial statements					
		Retained earnings			Other comprehensive income		
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated investments	Fair value changes in available-for-sale investments	Total equity
	Note				(in Baht)		
Year ended 31 December 2015							
Balance at 1 January 2015		2,244,000,000	8,558,557,850	224,400,000	28,131,064,536	2,854,644	39,160,877,030
Transactions with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividends to owners of the Company	33	-	-	-	(2,917,181,589)	-	(2,917,181,589)
Total transactions with owners, recorded directly in equity		-	-	-	(2,917,181,589)	-	(2,917,181,589)
Comprehensive income for the year							
Profit		-	-	-	6,279,573,621	-	6,279,573,621
Other comprehensive income		-	-	-	(43,920,588)	(9,737)	(43,930,325)
Total comprehensive income for the year		-	-	-	6,235,653,033	(9,737)	6,235,643,296
Balance at 31 December 2015		2,244,000,000	8,558,557,850	224,400,000	31,449,535,980	2,844,907	42,479,338,737

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

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

		Separate financial statements				
		Retained earnings		Other comprehensive income		
		Legal reserve	Share premium	Unappropriated	Fair value changes in available-for-sale investments	Total equity
		<i>(in Baht)</i>				
		Issued and paid-up share capital				
<i>Note</i>						
	Year ended 31 December 2016					
	Balance at 1 January 2016	2,244,000,000	8,558,557,850	224,400,000	31,449,535,980	42,479,338,737
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
	Dividends to owners of the Company	-	-	-	-	(3,141,511,380)
33				(3,141,511,380)		
Total transactions with owners, recorded directly in equity						
		-	-	-	-	(3,141,511,380)
Comprehensive income for the year						
	Profit	-	-	7,200,474,586	-	7,200,474,586
	Other comprehensive income	-	-	-	9,050	9,050
Total comprehensive income for the year						
		-	-	7,200,474,586	9,050	7,200,483,636
Balance at 31 December 2016						
		2,244,000,000	8,558,557,850	224,400,000	35,508,499,186	46,538,310,993

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	9,347,027,531	8,017,621,068	7,200,474,586	6,279,573,621
<i>Adjustments for</i>				
Depreciation	4,003,241,124	3,391,086,666	1,813,579,457	1,242,228,256
Amortisation of leasehold rights and right for usage of assets	1,119,421,200	1,058,999,659	679,593,731	610,874,099
Reversal of allowance for impairment	-	(166,226,531)	-	(133,334,505)
Foreign currencies translation differences for foreign operations	(2,665,089)	(1,519,446)	-	-
Investment income	(26,996,313)	(24,447,379)	(4,940,195,618)	(4,574,941,594)
Gain on lease under finance lease	633,460,339	508,714,089	1,251,273,521	1,096,033,824
Reversal of allowance for doubtful accounts	2,870,436	(1,589,864)	(2,304,243)	(1,425,281)
Write off of investment properties	141,032,558	-	95,943,219	-
Loss (gain) on sales of assets	411,176	18,866,382	934,710	(9,414,514)
Recognition of advance received from rental and service income	(898,290,076)	(846,159,204)	(150,713,677)	(100,231,277)
Employee benefit obligations	43,033,944	26,641,365	35,820,175	15,804,941
Share of profit of associates and joint ventures	(852,918,952)	(749,304,416)	-	-
Restructuring of business	-	(816,168)	-	-
Unrealised (gain) loss on exchange rate	(9,800,700)	122,483,400	-	-
Unrealised (gain) loss from financial instruments	(28,417,965)	44,126,810	-	-
Provision for decommissioning and restoration	-	2,321,342	-	2,321,342
Income tax expense	1,686,336,102	1,430,629,710	634,827,027	530,397,626
	15,157,745,315	12,831,427,483	6,619,232,888	4,957,886,538
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	144,303,945	156,412,660	69,756,570	18,537,864
Other receivables	(381,137,879)	58,240,832	(145,942,585)	6,064,653
Real estate projects under development	(265,258,697)	(12,544,796)	-	-
Other non-current assets	26,897,752	38,026,757	(144,058,795)	(16,189,823)
Trade accounts payable	(151,263,758)	75,685,970	(138,656,025)	83,172,874
Other payables	551,231,589	296,372,282	371,790,038	209,513,409
Advance received from rental and service income	809,070,216	1,777,341,613	509,047,151	1,087,877,668
Deposits from customers received	288,096,121	927,450,687	259,427,625	710,795,029
Guarantees received for leasehold rights	-	60,879,890	-	61,986,842
Repayment of guarantees received for leasehold rights	-	(1,000,134,070)	-	(724,650,000)
Employee benefits obligations paid	(5,498,520)	(3,524,040)	(3,997,900)	(3,204,240)
Cash generated from operating activities	16,174,186,084	15,205,635,268	7,396,598,967	6,391,790,814
Income tax paid	(1,801,000,689)	(1,420,660,073)	(834,782,044)	(528,628,812)
Net cash from operating activities	14,373,185,395	13,784,975,195	6,561,816,923	5,863,162,002

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	153,134,081	21,274,449	611,177,215	538,331,767
Dividends received	742,497,636	736,601,082	4,444,040,536	3,976,237,798
Decrease (increase) in current investments	1,034,021,474	(461,344,686)	1,026,039,114	(446,346,215)
Purchase of investments in subsidiary, associates and joint ventures	(528,248,779)	(60,943,382)	(220,249,684)	(1,398,600,730)
Proceeds from redemption of investment units in funds	-	-	24,000,000	24,000,000
Purchase of other long-term investments	(2,253,770)	-	(2,253,770)	-
Proceeds from sales of other long-term investments	1,200,000	-	-	-
Loans to related parties	-	-	(5,631,771,803)	(6,227,235,126)
Loans repaid by related parties	-	-	5,007,403,397	6,999,112,166
Purchase of investment properties	(4,971,508,447)	(14,393,146,158)	(3,220,380,665)	(12,268,387,040)
Purchase of property and equipment	(152,298,592)	(55,908,605)	(88,243,722)	(55,284,885)
Purchase of leasehold rights and right for usage of assets	(252,653,147)	(815,638,596)	(246,450,709)	(828,491,452)
Sales of leasehold rights and investment properties	36,224,699	101,909,465	50,296,910	58,005,484
Payment for accounts payable for leasehold right	(33,333,333)	-	(33,333,333)	-
Payment for contractor payables	(1,968,647,918)	(1,834,087,314)	(1,443,878,230)	(1,045,568,553)
Net cash from (used in) investing activities	(5,941,866,096)	(16,761,283,745)	276,395,256	(10,674,226,786)
<i>Cash flows from financing activities</i>				
Finance costs paid	(659,734,206)	(620,751,210)	(1,258,929,490)	(1,196,652,710)
Dividends paid	(3,141,005,868)	(2,916,824,652)	(3,141,005,868)	(2,916,824,652)
Payment for liability under financial lease	(385,967)	(770,989)	(385,967)	(770,989)
Proceeds from loans from related parties	-	-	6,401,732,006	6,731,766,646
Repayment of loans from related parties	-	-	(4,513,559,953)	(4,829,415,084)
Proceeds from loans from financial institutions and institutional investors	800,000,000	21,885,000,000	800,000,000	21,885,000,000
Repayments of loans from financial institutions and institutional investors	(5,518,982,000)	(15,280,392,000)	(5,427,680,000)	(14,764,250,000)
Acquisition of non-controlling interests	301	(505)	-	-
Net cash from (used in) financing activities	(8,520,107,740)	3,066,260,644	(7,139,829,272)	4,908,853,211
Net increase (decrease) in cash and cash equivalents	(88,788,441)	89,952,094	(301,617,093)	97,788,427
Cash and cash equivalents at 1 January	2,577,733,661	2,487,781,567	1,841,602,604	1,743,814,177
Cash and cash equivalents at 31 December	2,488,945,220	2,577,733,661	1,539,985,511	1,841,602,604

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of cash flows

Non-cash transactions

During the year 2016, the Group acquired investment properties, property, plant and equipment, leasehold rights and right for usage of assets at total cost of Baht 6,602.5 million (2015: Baht 18,198.4 million), of which Baht 5,376.5 million was paid by cash (2015: Baht 15,264.7 million), capitalised borrowing costs relating to the acquisition of assets amounting to Baht 39.4 million (2015: Baht 166.2 million), and Baht 1,186.6 million was outstanding as contractor payables as at 31 December 2016 (2015: Baht 2,767.5 million).

During the year 2016, the Company acquired investment properties, property, plant and equipment, leasehold rights and right for usage of assets at total cost of Baht 4,320.5 million (2015: Baht 15,712.3 million), of which Baht 3,555.1 million was paid by cash (2015: Baht 13,152.2 million), capitalised borrowing costs relating to the acquisition of assets amounting to Baht 26.9 million (2015: Baht 149.5 million), and Baht 738.5 million was outstanding as contractor payables as at 31 December 2016 (2015: Baht 2,410.6 million).

During the year 2016, the Group acquired real estate projects under development at a total cost of Baht 415.9 million (2015: Baht 12.5 million) of which Baht 265.3 million was paid by cash (2015: Baht 12.5 million), capitalised borrowing costs relating to the acquisition of assets amounting to Baht 1.2 million (2015: nil), and Baht 149.4 million was outstanding as trade accounts payable as at 31 December 2016 (2015: nil).

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

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

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Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 27 February 2017.

1 General information

Central Pattana Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 999/9 Rama I Road, Patumwan, Patumwan, Bangkok.

The Company was listed on the Stock Exchange of Thailand in March 1995.

The Company’s major shareholder during the financial year was Central Holdings Company Limited (26.2% shareholding), which is incorporated in Thailand.

The principal businesses of the Company are developing new projects and managing projects as constructing office buildings and shopping centres for rent, providing utility services in shopping centres, sales of food and beverage and providing real estate management consulting and corporate services. Details of the Company’s subsidiaries and funds, associates, joint ventures entities and other related parties as at 31 December 2016 and 2015 are additional by given in notes 4, 10 and 11. Details are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2016	2015
(%)				
Direct subsidiaries				
Central Pattana Rama 2 Co., Ltd.	(1) (4)	Thailand	100.0	100.0
Central Pattana Chiangmai Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
Central Pattana Realty Co., Ltd.				
(formerly Langsuan Realty Co., Ltd).	(2) (6)	Thailand	99.6	100.0
Central Pattana Rattana Thibet Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
Central Realty Service Co., Ltd.				
(under the liquidation process)	(2)	Thailand	100.0	100.0
Central Food Avenue Co., Ltd.	(4)	Thailand	100.0	100.0
Central World Co., Ltd.	(1) (2) (4) (7)	Thailand	100.0	100.0
Central Pattana Rama 3 Co., Ltd.	(1) (4)	Thailand	100.0	100.0
Central Pattana Chonburi Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
CPN Residence Co., Ltd.	(10)	Thailand	100.0	100.0
Central Pattana Development Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
CPN Global Co., Ltd.	(6)	Thailand	100.0	100.0
Central Pattana Nine Square Co., Ltd.	(1) (2)	Thailand	93.3	93.3
Central Pattana Khon Kaen Co., Ltd.	(1) (2) (4) (10)	Thailand	78.1	78.1
CPN Pattaya Co., Ltd.	(1) (2) (4) (7)	Thailand	100.0	100.0
CPN Learning Center Co., Ltd.	(9)	Thailand	100.0	100.0
CPN Rayong Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
CPN Korat Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0

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Name of entity	Type of business	Country of incorporation	Ownership interest	
			2016	2015
			(%)	
<i>Direct subsidiaries</i>				
CPN Estate Co., Ltd.	(6)	Thailand	100.0	-
CPN Residence Khon Kaen Co., Ltd.	(6)	Thailand	100.0	-
<i>Indirect subsidiaries</i>				
Central Pattana Realty Co., Ltd.	(2) (6)	Thailand	0.4	-
Bangna Central Property Co., Ltd.	(1) to (5)	Thailand	99.9	99.9
Global Retail Development & Investment Limited	(6)	Hong Kong	100.0	100.0
Global Commercial Property Limited	(6)	Hong Kong	100.0	100.0
CPN Complex Co.,Ltd.	(6)	Thailand	99.9	99.9
CPN City Co.,Ltd.	(6)	Thailand	99.9	99.9
CPN Residence Khon Kaen Co., Ltd.	(6)	Thailand	-	78.1
C.S. City Co., Ltd.	(1)	Thailand	100.0	100.0
CPN Ventures Sdn. Bhd.	(8)	Malaysia	100.0	100.0
CPN Real Estate Sdn. Bhd.	(6)	Malaysia	100.0	100.0
CPN Malls Malaysia Sdn. Bhd.	(6)	Malaysia	100.0	100.0
Central Plaza i-City Malls Malaysia Sdn. Bhd.	(6)	Malaysia	100.0	100.0
Central Plaza i-City Sdn. Bhd.	(6)	Malaysia	100.0	100.0
<i>Funds</i>				
Thai Business Fund 4	(6)	Thailand	100.0	100.0
Thai Business Fund 5	(6)	Thailand	100.0	100.0

Type of business

- (1) Construction of office buildings and shopping centers for rent
- (2) Provision of utility services in shopping centers
- (3) Construction of residential and shop houses for rent
- (4) Sales of food and beverage
- (5) Operator of play land and water theme park on shopping centers
- (6) Investment in real estates
- (7) Hotel business
- (8) Real estate management consulting and corporate services
- (9) Training service and personnel development
- (10) Real estate business for sales of land and houses and condominium units

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 40.

(b) Basis of measurement

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

<i>Items</i>	<i>Measurement bases</i>
Derivative financial instruments	Fair value
Available-for-sale financial assets	Fair value

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

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

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

Assumptions and estimation uncertainties

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

Note 3(u)	Recognition of deferred tax assets : availability of future taxable profit against which tax losses carried forward can be used
Note 3(q)	Recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources; and
Note 21	Measurement of defined benefit obligations : key actuarial assumptions

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Measurement of fair values

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

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

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

Significant valuation issues are reported to the Group Audit Committee.

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

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

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

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 34 Financial instruments

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

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

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

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

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

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

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

Step acquisition

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Acquisitions from entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
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Subsidiaries

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

Non-controlling interests

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

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

Loss of control

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

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

Transactions eliminated on consolidation

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

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(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

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

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

Foreign currency differences arising on retranslation are generally recognised in profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognised in other comprehensive income:

- Available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- Qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates ruling on transaction dates.

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

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

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

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

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(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate such as government bonds.

(d) *Cash and cash equivalents*

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

(e) *Trade and other accounts receivable*

Trade and other accounts receivable (including balances with related parties) are stated at their invoice value less allowance for doubtful accounts.

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

(f) *Real estate development projects*

Real estate development projects are projects for the development of properties with the intention of sale in the ordinary course of business. They are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate development projects comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised, on a specific identification basis, as part of the cost of the property until the completion of development.

(g) *Investments*

Investments in subsidiaries, associates and joint ventures

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

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Investments in other debt and equity securities

Debt securities that the Group has positive intent and ability to hold to maturity are classified as held-to-maturity investment. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

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

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

Disposal of investments

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

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

(h) Investment properties

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

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

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

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

Buildings and improvements	20 - 30 years
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Notes to the financial statements
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(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to cost and reclassified as investment property.

Subsequent costs

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

Depreciation

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

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

Furniture, fixtures, office and transportation equipments 5 - 15 years

No depreciation is provided on freehold land or assets under construction.

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

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(j) Leasehold rights

Leasehold rights are recorded at cost less accumulated amortisation and impairment losses.

Amortisation

Leasehold rights are charged to profit or loss on a straight-line basis over the period of lease as follows:

Leasehold rights over land and buildings	30 years
Leasehold rights over land	25 - 40 years

(k) Long-term leases

Where the Group is the lessee

Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The property or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. For long-term leases where the Group does not occupy the entire areas at the lease inception date, lease expenses are charged to profit or loss on a systematic basis over the period of the lease in proportion to the area that the Group occupies in each year.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

Where the Group is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the statements of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income is recognised on a straight-line basis over the lease term.

Assets leased out by the Group under which a significant portion of the risks and rewards of ownership are transferred to the lessee are classified as finance lease. The assets held under finance lease are recorded as accounts receivable under finance lease in the statements of financial position.

The sales revenue recorded at the commencement of a finance lease represents the fair value of the asset, or if lower, the present value of the minimum lease payments accruing to the lessor, computed at a commercial rate of interest. The cost of sale recognised at the commencement of the lease term is the cost or carrying amount of the leased property. The difference between the sales revenue and the cost of sale is recorded as gain which is recognised by the Group in accordance with its normal accounting policy.

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For the year ended 31 December 2016

(l) Right for usage of assets

Right for usage of assets are stated at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is calculated over the cost of the assets, or other amount substituted for cost, less its residual value.

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

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

Right for usage of assets	10 - 40 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(m) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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

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

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

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

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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Reversals of impairment

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

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

(n) Interest-bearing liabilities

Interest-bearing liabilities are stated at cost.

(o) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(p) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

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

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

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Short-term employee benefits

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

(q) Provisions

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

Provision for decommissioning and restoration

The Company recognises provision for decommissioning costs of the buildings or structures with the present value of the estimate of the eventual costs at the lease end date. The recognised provision for decommissioning costs are based on future removal cost estimates and incorporate many assumptions such as abandonment times and future inflation rate and discounted to present value at the discount rate estimated by the management. Those costs are included as part of the assets.

(r) Revenue

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

Rent and services

Revenue from rent is recognised in profit or loss on a straight-line basis over the term of the lease. Revenue from services is recognised as services are provided. Initial costs granted are recognised as an integral part of the total revenue from rent. Contingent rentals are recognised as income in the accounting period in which they are earned. Unearned rental and service revenue are recognised on a straight-line basis over the term of the lease.

Food and beverage

Revenue from food and beverage is recognised upon delivery of goods to customers.

Investments

Revenue from investments comprises dividend and interest income from bank deposits and investments.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

Interest income

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

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Notes to the financial statements

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(s) *Finance costs*

Finance costs is recognised using the effective interest method and comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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

(t) *Lease payments*

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made, over the term of the lease.

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

Payments made under sub-lease agreement with Central International Development Co., Ltd, which is an operating lease, is recognised in profit or loss on a systematic basis.

(u) *Income tax*

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

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

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

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

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

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

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

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

(v) Basic earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

(w) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and tax assets and liabilities.

4 Related parties

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

Relationships with subsidiaries, funds, associates and joint ventures are described in notes 1, 10 and 11. Relationship with key management and other related parties were as follows:

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Central Holding Co., Ltd.	Thailand	Major shareholder, some common directors
Central Department Store Co., Ltd.	Thailand	Some common directors
Hang Central Department Store Co., Ltd.	Thailand	Some common directors
Central Trading Co., Ltd.	Thailand	Some common directors
Central Super Store Co., Ltd.	Thailand	Some common directors
Power Buy Co., Ltd.	Thailand	Some common directors
CRC Sport Co., Ltd.	Thailand	Some common directors
CRC Power Retail Co., Ltd.	Thailand	Some common directors
B2S Co., Ltd.	Thailand	Some common directors
Office Club (Thai) Co., Ltd.	Thailand	Some common directors
Earth Care Co., Ltd.	Thailand	Some common directors
CR Chiangmai (Thailand) Co., Ltd.	Thailand	Some common directors
Central Garment Factory Co., Ltd.	Thailand	Some common directors
Samsonite (Thailand) Co., Ltd.	Thailand	Some common directors
Central Plaza Hotel Public Company Limited	Thailand	Some common directors
Central World Hotel Co., Ltd.	Thailand	Some common directors
Central Restaurant Group Co., Ltd.	Thailand	Some common directors
Central Food Retail Co., Ltd.	Thailand	Some common directors
Food Gimmick Co., Ltd.	Thailand	Some common directors
Sakura Restaurant Co., Ltd.	Thailand	Some common directors
Food Excellent Co., Ltd.	Thailand	Some common directors
Central International Development Co., Ltd.	Thailand	Some common directors
Robinson Department Store Public Company Limited	Thailand	Some common directors
Central Watson Co., Ltd.	Thailand	Some common directors
F&D International Co., Ltd.	Thailand	Some common directors
Food Festival Co., Ltd.	Thailand	Some common directors
Food Millennium Co., Ltd.	Thailand	Some common directors
Central Retail Corporation Co., Ltd.	Thailand	Some common directors
Fairy Plaza Co., Ltd.	Thailand	Some common directors
Siam Retail Development Co., Ltd.	Thailand	Some common directors
Ayudhaya Agrocit Co., Ltd.	Thailand	Some common directors
Square Ritz Plaza Co., Ltd.	Thailand	Some common directors
Vantage Ground Co., Ltd.	Thailand	Some common directors
Bara, Windsor & Co., Ltd.	Thailand	Some common directors
Spaghetti Factory Co., Ltd.	Thailand	Some common directors
Fuji Delicious Creation Co., Ltd.	Thailand	Some common directors
CMG Marketing Co., Ltd.	Thailand	Some common directors
CRC Thai Watsadu Co., Ltd.	Thailand	Some common directors
Central Restaurant Holding Co., Ltd.	Thailand	Some common directors
CRG International Food Co., Ltd.	Thailand	Some common directors
Food Passion Co., Ltd. (formerly The Barbecue Plaza Co., Ltd.)	Thailand	Some common directors

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

Transactions	Pricing policies
Revenue from rent and services	Market prices which are subject to location, lease space, lease form, timing and type of lease
Revenue from sale of food and beverage	Market prices
Management income and other income	The rate being charged by other parties in the business
Interest income/interest expense	The average interest rate of debt securities issued by the Company and contractually agreed interest rate
Cost of rent and services	Market prices
Cost of food and beverage	Market prices
Administrative expenses	At cost
Management fee	As mutually agreed in contract
Key management personnel	As defined by the nomination and remuneration committee which does not exceed the amount approved by the shareholders
Purchase of leasehold rights	As mutually agreed in contract
Purchase of assets	Market prices

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Significant transactions for the years ended 31 December 2016 and 2015 with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries and funds				
Revenue from rent and services	-	-	77,296	72,114
Management income	-	-	297,076	271,995
Interest income	-	-	462,054	521,741
Dividend income	-	-	3,712,902	3,298,549
Other income	-	-	211,689	124,727
Cost of rent and services	-	-	241,007	237,703
Cost of food and beverage	-	-	11	5
Administrative expenses	-	-	22,024	22,139
Interest expense	-	-	596,170	571,601
Associates				
Dividend income	-	-	742,368	736,471
Revenue from rent and services	510,280	466,211	32,557	7,833
Management income	440,006	411,006	440,006	411,006
Other income	16,035	29,050	17,447	16,069
Cost of rent and services	4,329	3,039	2,627	3,136
Cost of food and beverage	36,091	36,416	-	-
Administrative expenses	42,599	43,719	43,350	43,719
Joint ventures				
Management income	30,362	20,184	30,362	20,184
Other related parties				
Revenue from rent and services	4,410,670	3,779,179	2,369,869	1,941,719
Revenue from sale of food and beverage	3,991	5,058	333	23
Interest income	6,711	5,651	6,711	5,651
Other income	178,145	148,935	84,024	71,052
Cost of rent and services	888,386	591,698	872,001	582,556
Cost of food and beverage	1,558	337	75	312
Management fees	180,003	178,102	170,775	167,833
Administrative expenses	124,862	108,449	105,444	87,610
Interest expense	16	225	16	-
Key management				
Key management personnel				
Short-term benefits	122,854	126,997	122,854	126,997
Long-term benefits	4,320	3,266	4,320	3,266
Total Key management personnel	<u>127,174</u>	<u>130,263</u>	<u>127,174</u>	<u>130,263</u>

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Significant balances as at 31 December with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Trade accounts receivable - related parties				
Subsidiaries:				
Central Pattana Rattanathibet Co., Ltd.	-	-	3,901	4,226
Central Pattana Khon Kaen Co., Ltd.	-	-	8,159	5,035
Central World Co., Ltd.	-	-	13,369	14,773
Central Pattana Chonburi Co., Ltd.	-	-	3,780	3,698
Central Pattana Development Co., Ltd.	-	-	8,288	9,221
Central Pattana Chiangmai Co., Ltd.	-	-	2,317	3,259
Bangna Central Property Co., Ltd.	-	-	5,112	5,552
Central Food Avenue Co., Ltd.	-	-	391	237
Central Pattana Rama 2 Co., Ltd.	-	-	459	443
Central Realty Service Co., Ltd.	-	-	-	1,200
Central Pattana Nine Square Co., Ltd.	-	-	5,153	5,537
Thai Business Fund 4	-	-	8,802	384
CPN Pattaya Co., Ltd.	-	-	6,229	6,649
Central Pattana Rama 3 Co., Ltd.	-	-	1,037	1,024
Central Pattana Realty Co., Ltd.	-	-	1,107	10
CPN Rayong Co., Ltd.	-	-	3,534	6,492
CPN Residence Khon Kaen Co., Ltd.	-	-	928	396
CPN Residence Co., Ltd.	-	-	8,721	-
CPN Korat Co., Ltd.	-	-	7	-
Total subsidiaries	-	-	81,294	68,136
Other related parties:				
Central Department Store's Group	224,410	209,999	84,973	73,068
Others	72,404	86,222	19,309	19,972
Total other related parties	296,814	296,221	104,282	93,040
Total	296,814	296,221	185,576	161,176
Other receivables				
Accrued dividend income				
Subsidiaries:				
Thai Business Fund 4	-	-	136,440	127,179
Thai Business Fund 5	-	-	33,192	31,105
Total	-	-	169,632	158,284
Accrued income				
Subsidiaries:				
Thai Business Fund 4	-	-	1,466	1,393
Thai Business Fund 5	-	-	67	129
Total	-	-	1,533	1,522

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	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other non-current assets				
Accrued interest income				
Other related party:				
Siam Retail Development Co., Ltd.	-	135,456	-	135,456
Total	<u>-</u>	<u>135,456</u>	<u>-</u>	<u>135,456</u>

Loans to related parties

	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans to						
Subsidiaries:						
Thai Business Fund 5	3.76	4.01	-	-	20,984	37,682
CPN Global Co., Ltd.	3.23	3.18	-	-	577,458	95,750
CPN Estate Co., Ltd.	3.23	-	-	-	24,673	-
CPN Residence Khon Kaen Co., Ltd.	3.23	-	-	-	1,462	-
Total short-term loans			<u>-</u>	<u>-</u>	<u>624,577</u>	<u>133,432</u>
Long-term loans to						
Subsidiaries:						
Central World Co., Ltd.	3.23	3.18	-	-	6,456,431	7,248,222
Central Pattana Development Co., Ltd.	3.23	3.18	-	-	1,013,088	1,581,531
Central Food Avenue Co., Ltd.	3.23	3.18	-	-	8,375	16,387
Central Pattana Realty Co., Ltd.	3.23	3.18	-	-	2,179,032	1,707,951
CPN Residence Co., Ltd.	3.23	3.18	-	-	625,815	345,275
CPN Rayong Co., Ltd.	3.23	3.18	-	-	772,553	930,616
CPN Korat Co., Ltd.	3.23	-	-	-	910,560	-
Total long-term loans			<u>-</u>	<u>-</u>	<u>11,965,854</u>	<u>11,829,982</u>
Total loans to related parties			<u>-</u>	<u>-</u>	<u>12,590,431</u>	<u>11,963,414</u>
Summary of loans to related parties						
Short-term loans			-	-	624,577	133,432
Long-term loans			-	-	11,965,854	11,829,982
			<u>-</u>	<u>-</u>	<u>12,590,431</u>	<u>11,963,414</u>
Less allowance for doubtful accounts			-	-	-	-
Total loans to related parties, net			<u>-</u>	<u>-</u>	<u>12,590,431</u>	<u>11,963,414</u>

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Short-term loans to Subsidiaries</i>				
At 1 January	-	-	133,432	69,349
Increase				
- Principal	-	-	510,241	86,353
- Interest	-	-	9,470	1,478
Decrease				
- Principal	-	-	(20,761)	(22,477)
- Interest	-	-	(7,805)	(1,271)
At 31 December	-	-	624,577	133,432
<i>Long-term loans to Subsidiaries</i>				
At 1 January	-	-	11,829,982	12,670,447
Increase				
- Principal	-	-	5,121,531	6,140,882
- Interest	-	-	433,460	486,119
Decrease				
- Principal	-	-	(4,986,643)	(6,976,635)
- Interest	-	-	(432,476)	(490,831)
At 31 December	-	-	11,965,854	11,829,982

Loans to subsidiaries are unsecured and denominated in Thai Baht and carry interests at the average interest rate of debt securities issued by the Company. Loans to funds carry interest at the rates ranging from 3.0 % to 5.0 % per annum.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Trade accounts payable - related parties</i>				
Subsidiaries:				
Central World Co., Ltd.	-	-	2,321	3,246
Central Realty Service Co., Ltd.	-	-	-	1,236
Thai Business Fund 4	-	-	7,505	8,762
Central Pattana Nine Square Co., Ltd.	-	-	801	1,824
Central Pattana Khon Kaen Co., Ltd.	-	-	679	1,222
Central Pattana Chiangmai Co., Ltd.	-	-	639	993
Bangna Central Property Co., Ltd.	-	-	770	2,156
Central Pattana Development Co., Ltd.	-	-	1,738	2,141
Central Pattana Rattana Thibet Co., Ltd.	-	-	1,260	846
Central Pattana Chonburi Co., Ltd.	-	-	651	215
CPN Pattaya Co., Ltd.	-	-	429	1,622
CPN Rayong Co., Ltd.	-	-	679	825
Central Pattana Rama 3 Co., Ltd.	-	-	350	283
CPN Residence Co., Ltd.	-	-	-	611

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	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Trade accounts payable - related parties</i>				
Central Pattana Realty Co., Ltd.	-	-	2,609	83
Central Food Avenue Co., Ltd.	-	-	11	-
Central Pattana Rama 2 Co., Ltd.	-	-	59	-
Total subsidiaries	-	-	20,501	26,065
Other related parties:				
Central Department Store's Group	13,004	11,543	1,938	8,246
Others	21,380	28,409	17,951	21,862
Total related parties	34,384	39,952	19,889	30,108
Total	34,384	39,952	40,390	56,173
<i>Accounts payable for leasehold right</i>				
Other related party:				
Central Department Store's Group	300,000	333,333	300,000	333,333
Less Current portion of accounts payable for leasehold right	-	(33,333)	-	(33,333)
	300,000	300,000	300,000	300,000
<i>Unearned rental and service income</i>				
Subsidiaries	-	-	59,865	65,422
Associates	9,541,373	9,880,548	810	1,380
Total	9,541,373	9,880,548	60,675	66,802
Less Current portion of unearned rental service income	(356,976)	(353,370)	(5,557)	(5,557)
Net	9,184,397	9,527,178	55,118	61,245
<i>Deposits received from customer</i>				
Subsidiaries	-	-	3,901	277
Central Department Store's Group	392,216	369,292	171,000	140,412
Others	329,416	325,181	164,301	165,399
Total	721,632	694,473	339,202	306,088
<i>Guarantees for leasehold rights</i>				
Other related party:				
Central Department Store's Group	249,205	264,423	244,965	252,965

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Loans from related parties

	Interest rate		Consolidated		Separate	
	2016	2015	financial statements		financial statements	
	2016	2015	2016	2015	2016	2015
	(% per annum)		(in thousand Baht)			
Short-term loans from						
Subsidiaries:						
Central Pattana Nine Square Co.,Ltd.	3.23	3.18	-	-	2,248,435	1,309,052
Central Pattana Chiangmai Co., Ltd.	3.23	3.18	-	-	9,709,499	9,593,336
Central Realty Service Co., Ltd.	-	3.18	-	-	-	31,761
Thai Business Fund 4	2.39	2.44	-	-	791,104	731,104
Central Pattana Rattana Thibet Co., Ltd.	3.23	3.18	-	-	778,455	747,859
CPN Pattaya Co., Ltd.	3.23	3.18	-	-	1,122,221	674,045
Central Pattana Chonburi Co., Ltd.	3.23	3.18	-	-	537,072	363,808
Central Pattana Khon Kaen Co., Ltd.	3.23	3.18	-	-	568,813	156,408
CPN Korat Co., Ltd.	-	3.18	-	-	-	208,484
Total short-term loans			-	-	15,755,599	13,815,857
Long-term loans from						
Subsidiaries:						
Central Pattana Rama 3 Co., Ltd.	3.23	3.18	-	-	1,720,745	1,711,873
Central Pattana Rama 2 Co., Ltd.	3.23	3.18	-	-	1,739,404	1,793,714
Total long-term loans			-	-	3,460,149	3,505,587
Total loans from related parties			-	-	19,215,748	17,321,444

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Short-term loans from Subsidiaries				
At 1 January	-	-	13,815,857	11,944,597
Increase				
- Principal	-	-	6,130,785	6,367,703
- Interest	-	-	456,218	423,644
Decrease				
- Principal	-	-	(4,197,021)	(4,494,240)
- Interest	-	-	(450,240)	(425,847)
At 31 December	-	-	15,755,599	13,815,857
Other related parties				
At 1 January	-	4,387	-	-
Increase				
- Interest	-	225	-	-
Decrease				
- Principal	-	(3,345)	-	-
- Interest	-	(1,267)	-	-
At 31 December	-	-	-	-

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	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Total short-term loans from related parties				
At 1 January	-	4,387	13,815,857	11,944,597
Increase				
- Principal	-	-	6,130,785	6,367,703
- Interest	-	225	456,218	423,644
Decrease				
- Principal	-	(3,345)	(4,197,021)	(4,494,240)
- Interest	-	(1,267)	(450,240)	(425,847)
At 31 December	-	-	15,755,599	13,815,857
Long-term loans from Subsidiaries				
At 1 January	-	-	3,505,587	3,484,191
Increase				
- Principal	-	-	270,947	364,063
- Interest	-	-	114,471	121,631
Decrease				
- Principal	-	-	(316,539)	(335,174)
- Interest	-	-	(114,317)	(129,124)
At 31 December	-	-	3,460,149	3,505,587

Loans from related parties are unsecured and denominated in Thai Baht. Loans from subsidiaries and related parties carry interests at the average interest rates of unsecured debt securities issued by the Company. Loans from funds carry interest at the rates ranging from 2.0 % to 5.0 % per annum.

Commitments with related parties

As at 31 December the Group has entered into service and premise lease agreements with several related parties. The rental and service fees are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Non-cancellable operating lease commitments				
Within one year	771	723	1,011	963
After one year but within five years	3,560	3,366	4,519	4,326
After five years	13,655	14,620	16,295	17,500
Total	17,986	18,709	21,825	22,789

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Thai Business Fund 4

On 18 December 2002, Thai Business Fund 4 (“TBF4”) entered into a land and structure lease agreement, for the location of Central World Plaza with The Crown Property Bureau (“Property Bureau”). The lease agreement was for a period of 30 years ending in December 2032.

On 23 December 2002, TBF4 (“the lessor”) entered into a sublease utility system contract and a real estate management contract with Central World Co., Ltd. (“Central World”). The lease agreement was for a period of 30 years ending in December 2032. Under the conditions of the sublease contracts, Central World had to pay a lump sum payment of unearned leasehold right in advance of Baht 80 million and monthly rental as agreed by both parties, whereby the Company will be a guarantor. In addition, TBF4 entered into a real estate management contract with Central World and had to pay real estate management fee as stated in the contract.

According to the 7th TBF4’s unitholders’ resolution on 27 September 2011 and the 9th TBF4’s unitholders’ resolution on 30 November 2011, unitholders had an unanimous resolution to change the sublessee from Central World to the Company by cancelling a sublease utility system contract and a real estate management contract with Central World.

Consequently, TBF4 terminated a sublease utility system contract and a real estate management contract with Central World on 1 December 2011 and TBF4 had obligation to pay compensation in connection with contract termination in amount of Baht 2,219 million for investment in utility system and development of parking building by Central World. The Company agreed to pay for the obligation on behalf of TBF4 in connection with the contract termination in order to sublease utility system contract and become a real estate manager for Central World project instead.

On 1 December 2011, the Company entered into a sublease utility system contract with TBF4. The contract covered the period from 1 December 2011 to December 2032. The Company has to pay the lump sum payment of unearned leasehold right in advance of Baht 56.1 million and monthly rental of Baht 20 million as stated in the contract.

According to the 4th TBF4’s unitholders’ resolution on 7 September 2012, the unitholders had an unanimous resolution to terminate the sublease office building contract with Central World and approved to enter into new sublease office building contracts with Property Fund Type I and the Company and Central World and amended the real estate management contract with the Company.

As a result, on 14 September 2012, TBF4 terminated the sublease office building contract of The Offices at Central World. TBF4 had obligation to pay compensation in amount of Baht 3,530.3 million for investment in system and development of office building by Central World in connection with the contract termination. TBF4 had entered into a sublease contract with CPN Commercial Growth Leasehold Property Fund (“CPNCG”) for land and partial of office building with integrated components and related equipment and systems including the right for the use of the parking spaces at The Offices at Central World. The contract was for a period of 20 years ending on 22 December 2032. In addition, TBF4 had entered into sublease contracts with the Company and Central World for partial of office building. The contracts covered the period from 14 September 2012 to 22 December 2032 and 14 September 2012 to 23 December 2012, respectively.

On 25 September 2013, TBF4 entered into a memorandum for the cancellation of a partial of land lease under the principal agreement with Property Bureau and subsequent appointment to the Company as the new lessee of the lease directly with Property Bureau. The Company acquired the right for the use of land on the cancellation of land lease under conditions in an agreement. Therefore, to compensate TBF4 for the loss of the leasehold right on land which lease was cancelled, the Company agreed to pay compensation to TBF4 in amount of Baht 502 million by payments of Baht 425 million on 15 December 2013 and will pay of Baht 77 million in January 2033.

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Moreover, TBF4 has entered into an agreement with Central Plaza Hotel Public Company Limited, a related party, to sublease its leasehold right on land and partial of its structures located at Central World for 29 years ending in December 2032. The sublessee would use land and its structures for the development of the project of hotel, parking and convention hall.

CentralPlaza Lardprao

In 2009, the Company entered into a sublease contract of assets comprising of land, shopping centre, office building, parking buildings including their building improvements with integrated components and equipment of CentralPlaza Lardprao with Central International Development Company Limited (“the sublessee”) for a period of 20 years ending on 18 December 2028. The Company had to pay compensation for subleasehold right to the sublessee in the amount of Baht 2,162 million, which was recorded as leasehold rights in the statements of financial position. In addition, the Company is required to pay annual rental for the assets and rental for equipment throughout the sublease contract period totalling Baht 14,016 million.

Titles over the buildings or structures and other assets that the Company had renovation or restoration will be transferred to The State Railway of Thailand (“the lessor”) upon expiration of the agreement. In addition, the Company had to deliver equipment as specified in the lease agreement according to the appropriate condition and useful life at that time.

CentralPlaza Ramindra

The Company entered into a land lease agreement with Hang Central Department Store Co., Ltd., a related party, for the location of CentralPlaza Ramindra project for a period of 30 years ending in 2023.

CentralPlaza WestGate

In January 2013, the Company entered into a land lease agreement with Vantage Ground Co., Ltd., (“Vantage”) a related party, for the construction of shopping centre for lease for a period of 30 years ending on 18 February 2043. Under the conditions of the agreement, the Company had to pay compensation for land lease to lessee in the amount of Baht 654.9 million and pay the annual rental throughout the lease agreement period totalling Baht 4,443.7 million. The land lease agreement can be renewed for at least another 10-year period, at the rate and the benefit to be agreed upon in writing in advance not less than 2 years prior to the completion of the lease period.

At the Company's Board of Directors' meeting held on 7 August 2015, the Board approved the cancellation of partial land lease agreement of CentralPlaza WestGate with Vantage, a related party, in order that Vantage could sell the land to third party for construction of this shopping centre. The Company notified the cancellation of the agreement in October 2015. Vantage agreed to return the compensation of land lease and annual rental which the Company paid under the conditions of the land lease agreement.

CentralPlaza Pinklao

The Company entered into a land lease agreement with Hang Central Department Store Co., Ltd., a related party, for the location of CentralPlaza Pinklao project for a period of 30 years ending in 2024.

In 2015, the Company (“lessee”) entered into a memorandum for the extension of lease period with Hang Central Department Store Co., Ltd. whereby both parties agreed to extend the lease period for another periods of 2 years and 5 months starting from 1 January 2025 to 31 May 2027, whereby the lessee agreed to pay additional rental in amount of Baht 291 million as stated in the contract.

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CentralFestival Phuket

In June 2015, the Company entered into sublease land agreements and shopping building lease agreements with Central Department Store Co., Ltd. (“lessor”) a related party, for the operation of shopping centres for lease for a period of 41 years and 6 days ending on 6 June 2056. Under the conditions of the agreements, the Company had to pay compensation of land lease for shopping centre in the amount of Baht 5,572.9 million and the Company had to pay for land leasehold right to lessee in the amount of Baht 666.7 million and pay the annual land rental throughout the agreement period totalling Baht 2,769.2 million. In addition, there was an entering into the purchase of utility system and asset agreements totalling Baht 55.5 million.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash on hand	12,301	17,291	5,801	8,137
Call deposits	2,476,644	1,760,443	1,534,185	1,033,466
Highly liquid short-term investments	-	800,000	-	800,000
Cash and cash equivalent in the statement of cash flows	2,488,945	2,577,734	1,539,986	1,841,603

Cash and cash equivalents of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

6 Other investments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions	-	8,289	-	-
Equity securities available-for-sale	3,190	3,050	3,190	3,050
Investments in marketable unit trusts classified as available-for-sale investments	711,640	1,736,679	561,954	1,588,124
Current investments	714,830	1,748,018	565,144	1,591,174
<i>Other long-term investments</i>				
Other non-marketable equity securities				
Related parties	131,647	131,647	-	-
Less allowance for impairment	(65,397)	(65,397)	-	-
Long-term investment in related parties-net	66,250	66,250	-	-
Held to maturities securities	2,231	-	2,231	-
Other equity securities	1,000	2,216	1,000	1,000
Other long-term investments	3,231	2,216	3,231	1,000
Total	784,311	1,816,484	568,375	1,592,174

Central Pattana Public Company Limited and its Subsidiaries
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The currency denomination of other investments as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	784,311	1,808,195	568,375	1,592,174
Malaysian Ringgit (MYR)	-	8,289	-	-
Total	784,311	1,816,484	568,375	1,592,174

Movements during the years ended 31 December of marketable equity and debt securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current investments				
Available for sale securities				
At 1 January	1,724,335	871,915	1,588,329	742,618
Purchases during the year	5,140,307	6,883,838	5,140,000	6,877,129
Sales during the year	(6,166,039)	(6,031,418)	(6,166,039)	(6,031,418)
Valuation adjustment	16,227	15,394	2,854	2,845
At 31 December	714,830	1,739,729	565,144	1,591,174

7 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Subsidiaries and other related parties	4	296,814	296,221	185,576	161,176
Other parties		832,213	977,110	489,826	583,983
Total		1,129,027	1,273,331	675,402	745,159
Less allowance for doubtful accounts		(26,700)	(23,830)	(3,371)	(5,676)
Net		1,102,327	1,249,501	672,031	739,483
Bad and doubtful debt expenses (reversal) for the year		2,870	(1,589)	(2,305)	(1,425)

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Aging analyses for trade accounts receivable and deposits from overdue customers were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Subsidiaries and other related parties</i>				
Within credit terms	63,548	104,642	115,046	95,001
Overdue:				
Less than 3 months	130,348	96,428	31,475	36,496
3-6 months	16,399	68,563	9,863	10,369
6-12 months	17,421	7,280	14,070	3,380
Over 12 months	69,098	19,308	15,122	15,930
Total	296,814	296,221	185,576	161,176
 Deposits from overdue customers	 694,931	 637,088	 316,224	 274,894
<i>Other parties</i>				
Within credit terms	166,692	157,588	127,991	124,309
Overdue:				
Less than 3 months	437,769	538,727	256,614	336,239
3-6 months	77,329	99,482	48,737	56,158
6-12 months	57,671	84,717	29,736	52,293
Over 12 months	92,752	96,596	26,748	14,984
	832,213	977,110	489,826	583,983
Less allowance for doubtful accounts	(26,700)	(23,830)	(3,371)	(5,676)
Net	805,513	953,280	486,455	578,307
 Deposits from overdue customers	 5,063,697	 4,880,961	 2,344,407	 2,122,609

The normal credit term granted by the Group and the Company ranges from 1 day to 30 days.

Trade accounts receivable of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

Deposits received from overdue customers were in excess of the overdue receivables.

8 Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Accrued income	4	1,032,098	814,007	477,337	375,856
Accrued dividend income	4	-	-	169,632	158,284
Receivables from					
Revenue Department		54,133	76,504	2,440	-
Other accounts receivable		219,152	190,950	42,306	69,932
Prepaid expenses		494,595	444,219	416,453	368,957
Others		124,479	23,123	23,349	9,449
Total		1,924,457	1,548,803	1,131,517	982,478

Central Pattana Public Company Limited and its Subsidiaries
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9 Real estate projects under development

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Projects under development					
- Land		86,755	-	-	-
- Land improvements		4,210	-	-	-
- Utilities		334,069	12,545	-	-
- Other costs relating to project development		3,426	-	-	-
Total		428,460	12,545	-	-
Finance costs capitalised during the year	30	1,192	-	-	-
Rates of interest capitalised (% per annum)		3.27	-	-	-

10 Investments in subsidiaries and funds

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	24,259,247	22,783,141
Acquisitions of investments	220,250	1,398,601
Disposal of investments and redemption of investment units	(24,000)	(24,000)
Reversal of allowance for impairment	-	101,505
At 31 December	24,455,497	24,259,247

Acquisition of investments

For the year ended 31 December 2016

Direct subsidiary

Central Pattana Realty Co., Ltd. (formerly Langsuan Realty Co., Ltd.)

At the Board of Directors meeting of Central Pattana Realty Co., Ltd. (“Central Pattana Realty”), a subsidiary, held on 4 March 2016, the Board approved a resolution to increase the authorised share capital and to allocate newly issued ordinary shares to the shareholders by increasing paid up shares of Baht 170 million by increasing from Baht 830 million to Baht 1,000 million in order to use for its working capital. The Company invested in the said increased shares. Central Pattana Realty registered the increase of the authorised, issued and paid-up share capital with the Ministry of Commerce on 7 March 2016.

At the extraordinary shareholders meeting of Langsuan Realty on 22 June 2016, the shareholders passed a resolution to change the company’s name from “Langsuan Realty Co., Ltd.” to “Central Pattana Realty Co., Ltd.”. The name change was registered with the Ministry of Commerce on 22 June 2016.

Central Pattana Public Company Limited and its Subsidiaries
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CPN Estate Co., Ltd.

In June 2016, the Group established of CPN Estate Co., Ltd. to support the investment in the future which has a registered capital of Baht 1 million, totalling 10,000 shares with par value of Baht 100 per share and the share capital was 25% paid-up amounting to Baht 0.25 million.

CPN Residence Khon Kaen Co., Ltd.

At the Board of Directors meeting of the Company held on 22 September 2016, the Board approve a resolution to purchase all of shares of CPN Residence Khon Kaen Co., Ltd. from Central Pattana Khon Kaen Co., Ltd. and non-controlling interest of 1,999,994 shares at Baht 25 per share, amounting to totalling Baht 50 million.

Indirect subsidiary

C.S. City Co., Ltd.

At the extraordinary shareholders meeting of C.S. City Co., Ltd. held on 12 April 2016, the shareholders passed a resolution to increase paid-up registered capital from Baht 25 per share to Baht 70 per share of 10,000 shares by additionally paying of Baht 450,000, total paid-up share capital would be Baht 700,000. In addition, the shareholders passed a resolution to increase the registered capital from Baht 1 million to Baht 500 million (from 10,000 shares to 5,000,000 shares) by issuing the ordinary shares of 4,990,000 shares with par value of Baht 100 per share to Central Pattana Realty. Central Pattana Realty partially paid for shares at Baht 70 per share, totalling Baht 349.3 million. C.S. City Co., Ltd. registered the increase of the authorised share capital of Baht 500 million and issued and paid-up share capital of Baht 350 million with the Ministry of Commerce on 20 April 2016.

CPN Ventures Sdn. Bhd.

In July 2016, the Board of Directors meeting of CPN Ventures Sdn. Bhd. approved a resolution to increase paid up shares for Malaysian Ringgit 1.5 million by increasing from Malaysian Ringgit 3.5 million to Malaysian Ringgit 5.0 million in order to use for its working capital.

For the year ended 31 December 2015

Direct subsidiary

CPN Korat Co., Ltd.

At the extraordinary shareholders meeting of CPN Korat Co., Ltd, a subsidiary, held on 13 January 2015, the shareholders approved a resolution to increase the registered share capital from Baht 1 million to Baht 1,000 million by issuing the ordinary shares of 99,900,000 shares with par value of Baht 10 per share in order to use for its working capital. The Company invested in the said increased shares amounting to Baht 999 million.

Central Pattana Public Company Limited and its Subsidiaries

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Indirect subsidiary

CPN Ventures Sdn. Bhd.

At the extraordinary shareholders meeting No.1/2015 of CPN Ventures Sdn. Bhd. the shareholders approved a resolution to increase the registered capital from Malaysian Ringgit 0.4 million to Malaysian Ringgit 5 million by reissuing the new ordinary share capital as common stock, totalling 4.6 million shares with par value of Malaysian Ringgit 1 per share. As at 31 December 2016, CPN Ventures Sdn. Bhd. had received the payment of the said shares 76% paid-up shares, totalling Malaysian Ringgit 3.5 million.

CPN Complex Co., Ltd.

At the extraordinary shareholders meeting of CPN Complex Co., Ltd. ("CPN Complex") on 21 July 2015, shareholders approved a resolution to increase the registered capital from Baht 1,342 million to Baht 2,342 million by reissuing the new ordinary shares to Central World Co., Ltd., totalling 10 million shares with par value of Baht 100 per share. CPN Complex had received the payment of the said shares partially 25% paid-up shares, totalling Baht 250 million in order to use for its working capital. CPN Complex had registered the increase in registered and paid up share capital with the Ministry of Commerce on 3 August 2015.

CPN City Co., Ltd.

At the extraordinary shareholders meeting of CPN City Co., Ltd. ("CPN City") on 21 July 2015, shareholders approved a resolution to increase the registered capital from Baht 1,863 million to Baht 2,863 million by reissuing the new ordinary shares to Central World Co., Ltd., totalling 10 million shares with par value of Baht 100 per share. CPN City had received the payment of the said shares partially 25% paid-up shares, totalling Baht 250 million in order to use for its working capital. CPN City had registered the increase in registered and paid up share capital with the Ministry of Commerce on 3 August 2015.

Disposal of investments and redemption of investment units

For the year ended 31 December 2016 and 2015

Referred to unitholders agreement of Thai Business Fund 5 determine that the property fund had to repay monthly capital to unitholders at the rate 5.83% of investment units starting from March 2003 to February 2013, at the rate 5.00% of investment units starting from March 2013 to February 2017, at the rate 3.38% of investment units starting from March 2017 to January 2018 and at the rate 23.22% of investment units for the month of February 2018. The property fund had 15 years maturity starting from 6 March 2003 to 5 March 2018. The Company received capital repayment during 2016 in amount of Baht 24 million (2015: Baht 24 million).

Entire business transfer between Central Realty Service Co., Ltd. and Central Pattana Realty Co., Ltd.

For the year ended 31 December 2016

At the extraordinary shareholders meeting of Central Realty Service Co., Ltd., a subsidiary of a company, on 11 October 2016, the shareholders approved a resolution to transfer entire business to Central Pattana Realty Co., Ltd., another subsidiary of the Company. Therefore, on 11 October 2016 Central Realty Service ("Business transferer company") entered into the entire business transfer agreement to Central Pattana Realty Co., Ltd. ("Business transferee company") by agreeing to transfer rights and obligations under the agreements which business transferer company entered into with the third parties for the business operation.

Central Pattana Public Company Limited and its Subsidiaries

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At the extraordinary shareholders meeting of Central Pattana Realty Co., Ltd. (“Business transferee company”), held on 11 October 2016, the shareholders approved a resolution to transfer entire business from Central Realty Service Co., Ltd. (“Business transferer company”) and passed a resolution to increase the registered capital from Baht 1,000 million to Baht 1,003.7 million by issuing the ordinary shares of 365,800 shares with par value of Baht 10 per share as the compensation for the business transfer under the business transfer agreement dated 11 October 2016 to business transferer company in order to transfer to the shareholders of business transferer company in the liquidation process.

On 11 October 2016, business transferer company transferred net assets in amount of Baht 3.7 million to the business transferee company in full amount by receiving the shares of the business transferee company as the compensation in amount of Baht 3.7 million. Business transferer company will proceed the return of investment to the shareholders subsequently.

Central Pattana Public Company Limited and its Subsidiaries

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Investments in subsidiaries and funds as at 31 December 2016 and 2015 and dividend income from those investments for the years then ended were as follows:

	Separate financial statements										Dividend income		
	Ownership interest 2016 2015 (%)		Paid-up capital		Cost		Impairment		At cost - net		2016	2015	
			2016	2015	2016	2015	2016	2015	2016	2015			
	(in million Baht)										(in thousand Baht)		
Subsidiaries													
Central Pattana Rama 2 Co., Ltd.	100.0	100.0	1,500.0	1,500.0	1,500,000	1,500,000	-	-	1,500,000	1,500,000	-	-	
Central Pattana Chiangmai Co., Ltd.	100.0	100.0	1,000.0	1,000.0	1,000,000	1,000,000	-	-	1,000,000	1,000,000	500,000	500,000	
Central Pattana Realty Co., Ltd.													
(formerly Langsuan Realty Co., Ltd.)													
Central Pattana Rattana Thibet Co., Ltd.	100.0	100.0	1,003.7	830.0	1,000,000	830,000	-	-	1,000,000	830,000	-	-	
Central Realty Service Co., Ltd.	100.0	100.0	800.0	800.0	589,998	589,998	-	-	589,998	589,998	371,699	235,999	
(under the liquidation process)													
Central Food Avenue Co., Ltd.	100.0	100.0	1.0	1.0	1,000	1,000	-	-	1,000	1,000	54,897	24,998	
Central World Co., Ltd.	100.0	100.0	5.0	5.0	5,000	5,000	-	-	5,000	5,000	-	-	
Central Pattana Rama 3 Co., Ltd.	100.0	100.0	2,511.9	2,511.9	2,412,733	2,412,733	-	-	2,412,733	2,412,733	-	-	
Central Pattana Chonburi Co., Ltd.	100.0	100.0	324.7	324.7	2,166,751	2,166,751	-	-	2,166,751	2,166,751	-	-	
CPN Residence Co., Ltd.	100.0	100.0	900.0	900.0	808,984	808,984	-	-	808,984	808,984	225,000	-	
Central Pattana Development Co., Ltd.	100.0	100.0	400.6	400.6	400,599	400,599	-	-	400,599	400,599	-	-	
CPN Global Company Limited	100.0	100.0	700.0	700.0	744,285	744,285	-	-	744,285	744,285	-	-	
Central Pattana Nine Square Co., Ltd.	93.3	93.3	1.0	1.0	1,000	1,000	-	-	1,000	1,000	-	-	
Central Pattana Khon Kaen Co., Ltd.	78.1	78.1	2,400.0	2,400.0	2,239,200	2,239,200	-	-	2,239,200	2,239,200	-	-	
CPN Learning Center Co., Ltd.	100.0	100.0	2,000.0	2,000.0	1,562,684	1,562,684	-	-	1,562,684	1,562,684	-	-	
CPN Pattaya Co., Ltd.	100.0	100.0	1.0	1.0	1,000	1,000	-	-	1,000	1,000	-	9,696	
CPN Rayong Co., Ltd.	100.0	100.0	2,500.0	2,500.0	2,500,060	2,500,060	-	-	2,500,060	2,500,060	750,000	750,000	
Bangna Central Property Co., Ltd.	-	-	1,000.0	1,000.0	999,999	999,999	-	-	999,999	999,999	-	-	
CPN Korat Co., Ltd.	100.0	100.0	962.5	962.5	1	1	-	-	1	1	-	-	
CPN Estate Co., Ltd.	100.0	100.0	1,000.0	1,000.0	1,000,000	1,000,000	-	-	1,000,000	1,000,000	-	-	
CPN Residence Khon Kaen Co., Ltd.	100.0	100.0	0.3	-	250	-	-	-	250	-	-	-	
	100.0	100.0	50.0	-	50,000	-	-	-	50,000	-	-	-	

Funds

Thai Business Fund 4 ⁽¹⁾⁽²⁾	100.0	100.0	5,443.8	5,443.8	5,443,793	5,443,793	-	-	5,443,793	5,443,793	1,417,756	1,409,194
Thai Business Fund 5 ⁽¹⁾	100.0	100.0	28.2	52.2	28,160	52,160	-	-	28,160	52,160	393,550	368,662
Total					24,455,497	24,259,247	-	-	24,455,497	24,259,247	3,712,902	3,298,549

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⁽¹⁾Investments in Thai Business Fund 4 and Thai Business Fund 5 are investment units (type C) which have rights to receive dividends subordinated to the other types of unitholders (type A and B).

⁽²⁾*Thai Business Fund 4*

In 2009, Thai Business Fund 4 amended the dividend payment policy for investment units type C which should not be greater than net cash remaining after (1) the dividend paid and payable to investment units type A and B, (2) the redemption of capital to investment units type A and B, (3) the deduction of cash reserved for other debt payments and (4) the payment for dividend payable.

11 Investment in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Associates				
At 1 January	5,452,827	5,443,527	7,578,674	7,578,674
Share of net profit of investment				
- equity method	858,498	745,771	-	-
Dividend income	(742,368)	(736,471)	-	-
At 31 December	<u>5,568,957</u>	<u>5,452,827</u>	<u>7,578,674</u>	<u>7,578,674</u>
Joint ventures				
At 1 January	64,477	-	-	-
Acquisitions	528,249	60,944	-	-
Share of net profits (losses) of joint ventures	(5,579)	3,533	-	-
At 31 December	<u>587,147</u>	<u>64,477</u>	<u>-</u>	<u>-</u>
Total investment in associates and joint ventures at 31 December	<u>6,156,104</u>	<u>5,517,304</u>	<u>7,578,674</u>	<u>7,578,674</u>

Acquisition of investments

Central Plaza i-City Real Estate Sdn. Bhd.

At the extraordinary shareholders meeting on 2 February 2015, shareholders approved restructuring of Central Plaza i-City Real Estate Sdn. Bhd. The objective is to enhance the investment in Malaysia, the details are as follows:

Shareholder structure:

CPN Global Co., Ltd. ("CPN Global"), the subsidiary of the Company holds 50% of shares.

Central Pattana Realty Co., Ltd. (*formerly Langsuan Realty Co., Ltd.*) ("Central Pattana Realty"), the subsidiary of the Company holds 10% of shares.

I-R&D Sdn. Bhd., the subsidiary of I-Berhad (Joint Venture party) holds 40% of shares.

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At the extraordinary shareholders meeting of Central Plaza i-City Real Estate Sdn. Bhd. on 26 November 2015, shareholders approved a resolution to increase the authorised share capital from Malaysian Ringgit 0.4 million to Malaysian Ringgit 25 million by increasing the new ordinary shares, totalling 24.6 million shares with par value of Malaysian Ringgit 1 per share and approved Central Plaza i-City Real Estate Sdn. Bhd. to call for the share subscription, totalling Malaysian Ringgit 12 million (equivalent to Baht 100.8 million). The Group invested in those increased shares at the same proportion of shareholding of the Group totalling Malaysian Ringgit 7.2 million (equivalent to Baht 61.0 million).

At the Board of Directors meeting of Central Plaza i-City Real Estate Sdn. Bhd. held on 27 June 2016, shareholders approved a resolution to increase the registered capital from Malaysian Ringgit 25 million to Malaysian Ringgit 458 million by registering the increased ordinary shares, totalling 433 million shares with par value of Malaysian Ringgit 1 per share.

During the year ended 31 December 2016, the Board of Directors meetings of Central Plaza i-City Real Estate Sdn. Bhd, approved a resolution to increase the paid up share capital from Malaysian Ringgit 12.0 million to Malaysian Ringgit 100.5 million (equivalent to Baht 870.4 million) by increasing the newly issued and paid up 88.5 million ordinary shares with par value of Malaysian Ringgit 1 per share in order to use for its working capital. The Group invested in those increased share capital in amount of Malaysian Ringgit 60.3 million (equivalent to Baht 528.2 million) at the same proportion of shareholding of the Group.

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Investment in associates and joint ventures as at 31 December 2016 and 2015 and dividend income from the investment for the years then ended were as follows:

Consolidated financial statements												
	Ownership interest		Paid-up capital		Cost		Equity		Fair value of listed securities		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
(in thousand Baht)												
<i>Associates</i>												
CPN Retail Growth												
Leasehold Property Fund	26.7	26.7	24,406,208	24,406,208	6,480,076	6,480,076	5,010,159	4,898,451	11,515,173	10,097,921	643,846	648,157
CPN Commercial Growth												
Leasehold Property Fund	25.0	25.0	4,394,382	4,394,382	1,098,598	1,098,598	558,798	554,376	1,567,902	1,407,912	98,522	88,314
Total												
<i>Joint ventures</i>												
Central Plaza i-City												
Real Estate Sdn. Bhd.	60.0	60.0	971,257	100,813	589,219	60,970	587,147	64,477	-	-	-	-

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Investment in associates as at 31 December 2016 and 2015 and dividend income from the investment for the years then ended were as follows:

Separate financial statements						
	Ownership interest		Paid-up capital		Fair value of	
	2016	2015 (%)	2016	2015	listed securities	Dividend
					2016	income
					2015	2015
					<i>(in thousand Baht)</i>	
Associates						
CPN Retail Growth	26.7	26.7	24,406,208	24,406,208	11,515,173	648,157
Leasehold Property Fund						
CPN Commercial Growth						
Leasehold Property Fund	25.0	25.0	4,394,382	4,394,382	1,407,912	88,314
Total					11,505,833	736,471
					742,368	
					98,522	
					1,567,902	
					13,083,075	
					7,578,674	
					1,098,598	
					6,480,076	
					11,515,173	
					10,097,921	
					643,846	
					648,157	
					88,314	
					736,471	

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Associates and joint ventures

The following table summarises the financial information of the associates and joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

	CPN Retail Growth Leasehold Property Fund 2016	CPN Retail Growth Leasehold Property Fund 2015	CPN Commercial Growth Leasehold Property Fund 2016	CPN Commercial Growth Leasehold Property Fund 2015	Central Plaza i-City Real Estate Sdn. Bhd. 2016	2015
Revenue	3,530,720	3,135,619	570,330	561,152	15,455	7,333
Total comprehensive income (100%)	2,830,780	2,414,243	411,778	405,588	(9,298)	5,889
			(in thousand Baht)			
Group's share of total comprehensive income	755,553	644,374	102,945	101,397	(5,579)	3,533
Current assets	1,194,779	813,882	117,723	168,630	140,739	1,807
Non-current assets	32,409,053	31,970,053	5,301,914	5,405,053	1,259,844	141,289
Current liabilities	(574,467)	(541,204)	(30,047)	(41,469)	(419,925)	(35,636)
Non-current liabilities	(3,036,753)	(3,000,515)	(502,168)	(494,502)	(2,080)	-
Net assets (100%)	29,992,612	29,242,216	4,887,422	5,037,712	978,578	107,460
Unrealised from fair value measurement	(3,881,296)	(3,549,430)	(284,448)	(452,428)	-	-
	26,111,316	25,692,786	4,602,974	4,585,284	978,578	107,460
Group's share of net assets	6,969,249	6,857,541	1,150,743	1,146,321	587,147	64,476
Elimination of profit from sale of assets to associate	(1,959,090)	(1,959,090)	(591,945)	(591,945)	-	-
Carrying amount of interest in associate/joint venture	5,010,159	4,898,451	558,798	554,376	587,147	64,476

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Remark:

- a. Includes:
 - interest expense
- b. Includes cash and cash equivalents
- c. Includes current financial liabilities (excluding trade and other payables and provisions)
- d. Includes non-current financial liabilities (excluding trade and other payables and provisions)

Central Plaza i-City Real Estate Sdn. Bhd.	2016	2015
	<i>(in thousand Baht)</i>	
	-	393
	105,711	1,531
	62,593	37,137
	2,080	-

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12 Investment properties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cost				
At 1 January	91,476,575	74,788,696	40,665,121	26,280,834
Additions	5,862,219	16,854,342	3,659,385	14,404,344
Disposals / amortisation	(299,278)	(300,860)	(148,624)	(20,057)
Reversal of allowance for impairment	-	134,397	-	-
At 31 December	97,039,516	91,476,575	44,175,882	40,665,121
Depreciation				
At 1 January	16,680,139	13,861,446	4,343,482	3,210,615
Depreciation charge for the year	3,721,905	3,055,589	1,733,154	1,146,802
Disposals / amortisation	(62,909)	(236,896)	(22,326)	(13,935)
At 31 December	20,339,135	16,680,139	6,054,310	4,343,482
Net book value				
At 1 January 2015	-	60,927,250	-	23,070,219
At 31 December 2015 and 1 January 2016	74,796,436	74,796,436	36,321,639	36,321,639
At 31 December 2016	76,700,381	-	38,121,572	-

Investment properties were revalued as at 31 December 2016 by independent professional valuers, using a “Income method, DCF Technique”. The appraised value (including partial of leasehold right) was Baht 167,688 million (2015: Baht 157,100 million) which show as below:

	Consolidated financial statements		2015	
	2016		2015	
	Book value	Fair value	Book value	Fair value
	<i>(in million Baht)</i>			
Investment properties	76,700		74,796	
Leasehold rights	10,647		11,644	
Total	87,347	167,688	86,440	157,100

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

Investment properties comprise a number of commercial properties that are leased to third parties which consist of:

- | | |
|------------------------------------|---------------------------------|
| - CentralPlaza Chiangmai Airport | - CentralPlaza Ramindra |
| - CentralPlaza Bangna | - CentralPlaza Pinklao |
| - Central Marina | - CentralPlaza Rama 3 |
| - CentralPlaza Rattana Thibet | - CentralPlaza Changwattana |
| - CentralFestival Pattaya Beach | - CentralPlaza Udonthani |
| - CentralPlaza Chonburi | - CentralPlaza Khonkaen |
| - CentralPlaza Chiangrai | - CentralPlaza Pisanulok |
| - CentralPlaza Grand Rama 9 | - Grand Rama 9 Office Building |
| - Central City Residential | - Chaengwattana Office Building |
| - Bangna Office Building | - CentralPlaza Suratthani |
| - CentralPlaza Lampang | - CentralPlaza Ubonratchathani |
| - CentralFestival Chiangmai | - CentralFestival Hat-yai |
| - CentralFestival Samui | - CentralPlaza Salaya |
| - CentralPlaza Rayong | - CentralFestival Phuket |
| - CentralPlaza WestGate | - CentralFestival EastVille |
| - CentralPlaza Nakhon Si Thammarat | - Projects under development |

The Group's projects under development consist of 4 projects representing shopping centres and office building.

Collateral

As at 31 December 2016, the Group's investment properties are used as collateral for borrowing as discussed in note 18.

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

13 Property, plant and equipment

(a) *Group*

	Consolidated financial statements				
	Land	Buildings and improvements	Furniture, fixtures, office and transportation equipments (in thousand Baht)	Asset under construction	Total
Cost					
At 1 January 2015	91,371	2,281,335	1,134,742	68,504	3,575,952
Additions	-	7,091	59,012	39,230	105,333
Transfer - net	-	17,694	(2,614)	(15,080)	-
Disposals / write off	-	(921)	(10,461)	-	(11,382)
Reversal of allowance for impairment	-	31,829	-	-	31,829
At 31 December 2015 and 1 January 2016	91,371	2,337,028	1,180,679	92,654	3,701,732
Additions	-	17,722	83,705	57,205	158,632
Transfer - net	-	40,484	23,294	(63,778)	-
Disposals / write off	-	(1,823)	(39,266)	(16,633)	(57,722)
At 31 December 2016	91,371	2,393,411	1,248,412	69,448	3,802,642
Depreciation					
At 1 January 2015	-	720,785	714,676	-	1,435,461
Depreciation charge for the year	-	197,990	137,508	-	335,498
Transfer - net	-	1,685	(1,685)	-	-
Disposals / write off	-	-	(8,274)	-	(8,274)
At 31 December 2015 and 1 January 2016	-	920,460	842,225	-	1,762,685
Depreciation charge for the year	-	174,682	106,653	-	281,335
Transfer - net	-	92	(92)	-	-
Disposals / write off	-	(554)	(37,628)	-	(38,182)
At 31 December 2016	-	1,094,680	911,158	-	2,005,838

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

Consolidated financial statements

Furniture, fixtures,
office and

transportation
equipments

(in thousand Baht)

Asset under
construction

Total

Buildings and
improvements

Land

Net book value

At 1 January 2015

Owned assets

Assets under finance leases

91,371

1,560,550

416,929

68,504

2,137,354

3,137

2,140,491

At 31 December 2015 and 1 January 2016

Owned assets

Assets under finance leases

91,371

1,416,568

336,822

92,654

1,937,415

1,632

1,939,047

At 31 December 2016

Owned assets

Assets under finance leases

91,371

1,298,731

336,298

69,448

1,795,848

956

1,796,804

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

Most of property, plant and equipment and office equipment are in respect to the Hilton Pattaya and Centara Hotel Udonthani.

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 679 million (2015: Baht 481 million).

(b) Company

	Buildings and improvements	Separate financial statements Furniture, fixtures, office and transportation equipments (in thousand Baht)	Asset under construction	Total
Cost				
At 1 January 2015	98,054	666,124	63,681	827,859
Additions	5,569	37,722	19,036	62,327
Transfer - net	5,901	(3,011)	(2,890)	-
Disposals / write off	(297)	(7,223)	-	(7,520)
Reversal of allowance for impairment	31,829	-	-	31,829
At 31 December 2015 and 1 January 2016	141,056	693,612	79,827	914,495
Additions	2,876	62,703	27,739	93,318
Transfer - net	26,325	22,790	(49,115)	-
Disposals / write off	(79)	(4,896)	(19,889)	(24,864)
At 31 December 2016	170,178	774,209	38,562	982,949
Depreciation				
At 1 January 2015	50,446	413,168	-	463,614
Depreciation charge for the year	25,807	69,619	-	95,426
Transfer - net	1,685	(1,685)	-	-
Disposals / write off	(5)	(5,177)	-	(5,182)
At 31 December 2015 and 1 January 2016	77,933	475,925	-	553,858
Depreciation charge for the year	12,139	68,286	-	80,425
Transfer - net	85	(85)	-	-
Disposals / write off	(40)	(3,947)	-	(3,987)
At 31 December 2016	90,117	540,179	-	630,296
Net book value				
At 1 January 2015				
Owned assets	47,608	249,819	63,681	361,108
Assets under finance leases	-	3,137	-	3,137
	47,608	252,956	63,681	364,245
At 31 December 2015 and 1 January 2016				
Owned assets	63,123	216,055	79,827	359,005
Assets under finance leases	-	1,632	-	1,632
	63,123	217,687	79,827	360,637

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Notes to the financial statements
For the year ended 31 December 2016

	Buildings and improvements	Separate financial statements Furniture, fixtures, office and transportation equipments (in thousand Baht)	Asset under construction	Total
At 31 December 2016				
Owned assets	80,061	233,074	38,562	351,697
Assets under finance leases	-	956	-	956
	80,061	234,030	38,562	352,653

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 432 million (2015: Baht 332 million).

14 Leasehold rights

	Consolidated financial statements (in thousand Baht)	Separate financial statements
Cost		
At 1 January 2015	22,902,258	10,489,378
Additions	1,152,031	1,175,275
Disposals / transfer	(180,530)	(118,081)
At 31 December 2015 and 1 January 2016	23,873,759	11,546,572
Additions	260,206	224,492
At 31 December 2016	24,133,965	11,771,064
Accumulated amortisation		
At 1 January 2015	11,107,099	4,035,966
Amortisation for the year	1,046,765	604,915
Disposals / transfer	(59,347)	(77,950)
Obligation under long-term operating leases additions	134,870	162,375
At 31 December 2015 and 1 January 2016	12,229,387	4,725,306
Amortisation for the year	1,082,740	644,676
Obligation under long-term operating leases additions	174,507	126,587
At 31 December 2016	13,486,634	5,496,569
Net book value		
At 1 January 2015	11,795,159	6,453,412
At 31 December 2015 and 1 January 2016	11,644,372	6,821,266
At 31 December 2016	10,647,331	6,274,495

During the year 2016, additional leasehold rights were mainly as the Company entered into lease agreements with third parties for developing and constructing future projects of shopping centres and department stores by paying compensation for leasehold rights amount of Baht 150 million (2015: Baht 292 million).

The leasehold rights are commercial properties under long-term operating leases mostly were the shopping centres of Central World, CentralPlaza Lardprao and partial of CentralPlaza Grand Rama 9, CentralFestival Phuket, CentralPlaza WestGate, CentralFestival EastVille and other projects.

Central Pattana Public Company Limited and its Subsidiaries
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15 Rights for usage of assets

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
At 1 January 2015	185,981	-
Additions	86,656	70,384
At 31 December 2015 and 1 January 2016	272,637	70,384
Additions	321,442	343,329
At 31 December 2016	594,079	413,713
<i>Accumulated amortisation</i>		
At 1 January 2015	63,392	-
Amortisation charge for the year	12,235	5,959
At 31 December 2015 and 1 January 2016	75,627	5,959
Amortisation charge for the year	36,681	34,918
At 31 December 2016	112,308	40,877
<i>Net book value</i>		
At 1 January 2015	122,589	-
At 31 December 2015 and 1 January 2016	197,010	64,425
At 31 December 2016	481,771	372,836

During 2016, the Company entered into a memorandum agreement for link to skytrain station, passenger walkway or gateway license with Mass Rapid Transit Authority of Thailand (“MRTA”). Pursuant to this memorandum the Company has to give its ownership in the link with net book value amounting to Baht 267 million to MRTA. The Company has recorded as the rights for usage of assets in the statements of financial position.

During 2015, the Company entered into a memorandum agreement to request electricity supply from the Provincial Electricity Authority (“PEA”). Pursuant to this memorandum the Company transferred partial of the Company’s land with net book value amounting to Baht 70 million to PEA to locate sub power station in exchange of the right to request the electricity supply from PEA. The Company has recorded as the rights for usage of assets in the statements of financial position.

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16 Deferred tax

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

Consolidated financial statements				
	Assets		Liabilities	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Total	1,665,384	1,310,148	(484,600)	(597,512)
Set off of tax	(449,450)	(520,918)	449,450	520,918
Net deferred tax assets (liabilities)	1,215,934	789,230	(35,150)	(76,594)

Separate financial statements				
	Assets		Liabilities	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Total	876,438	676,581	(336,053)	(398,640)
Set off of tax	(336,053)	(398,640)	336,053	398,640
Net deferred tax assets (liabilities)	540,385	277,941	-	-

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

Consolidated financial statements				
	(Charged) / credited to:			
	At 1 January 2016	Profit or loss (note 31)	Other comprehensive income	At 31 December 2016
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Trade accounts receivable (allowance for doubtful accounts)	4,290	5	-	4,295
Investment properties (allowance for impairment)	20,140	-	-	20,140
Leasehold rights (liabilities under long-term operating leases)	340,216	20,551	-	360,767
Employee benefit obligations	54,908	7,807	-	62,715
Deposit received from customers	546,419	259,940	-	806,359
Building under consignment sale	235,973	12,204	-	248,177
Loss carry forward	29,391	17,597	-	46,988
Others	78,811	37,132	-	115,943
Total	1,310,148	355,236	-	1,665,384
Deferred tax liabilities				
Gain on lease under finance lease	(597,512)	112,912	-	(484,600)
Total	(597,512)	112,912	-	(484,600)
Net	712,636	468,148	-	1,180,784

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Consolidated financial statements				
	(Charged) / credited to:			
	At 1 January 2015	Profit or loss (note 31) (in thousand Baht)	Other comprehensive income	At 31 December 2015
Deferred tax assets				
Trade accounts receivable (allowance for doubtful accounts)	4,583	(293)	-	4,290
Investment properties (allowance for impairment)	46,807	(26,667)	-	20,140
Leasehold rights (liabilities under long-term operating leases)	331,521	8,695	-	340,216
Employee benefit obligations	38,701	4,617	11,590	54,908
Deposit received from customers	572,977	(26,558)	-	546,419
Building under consignment sale	222,067	13,906	-	235,973
Loss carry forward	21,983	7,408	-	29,391
Others	62,407	16,404	-	78,811
Total	1,301,046	(2,488)	11,590	1,310,148
Deferred tax liabilities				
Gain on lease under finance lease	(708,922)	111,410	-	(597,512)
Total	(708,922)	111,410	-	(597,512)
Net	592,124	108,922	11,590	712,636
Separate financial statements				
	(Charged) / credited to:			
	At 1 January 2016	Profit or loss (note 31) (in thousand Baht)	Other comprehensive income	At 31 December 2016
Deferred tax assets				
Trade accounts receivable (allowance for doubtful accounts)	1,132	(462)	-	670
Leasehold rights (liabilities under long-term operating leases)	326,785	24,514	-	351,299
Employee benefit obligations	46,946	6,365	-	53,311
Advance received from rental and service income	31,487	17,835	-	49,322
Deposit received from customers	254,320	148,724	-	403,044
Others	15,911	2,881	-	18,792
Total	676,581	199,857	-	876,438
Deferred tax liabilities				
Gain on lease under finance lease	(398,640)	62,587	-	(336,053)
Total	(398,640)	62,587	-	(336,053)
Net	277,941	262,444	-	540,385

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	Separate financial statements		
	At 1 January 2015	(Charged) / credited to: Profit or loss (note 31) (in thousand Baht)	Other comprehensive income
			At 31 December 2015
Deferred tax assets			
Trade accounts receivable (allowance for doubtful accounts)	1,417	(285)	-
Investment properties (allowance for impairment)	26,667	(26,667)	-
Leasehold rights (liabilities under long-term operating leases)	317,563	9,222	-
Employee benefit obligations	33,446	2,520	10,980
Advance received from rental and service income	22,519	8,968	-
Deposit received from customers	190,677	63,643	-
Others	19,843	(3,932)	-
Total	612,132	53,469	10,980
Deferred tax liabilities			
Gain on lease under finance lease	(458,988)	60,348	-
Total	(458,988)	60,348	-
Net	153,144	113,817	10,980

17 Other non-current assets

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
					(in thousand Baht)
Accrued interest receivable	4	-	135,456	-	135,456
Withholding tax deducted at source		894	458,536	-	-
Deposits and rights for usage of assets		167,138	118,588	121,368	82,823
Guarantees for leasehold rights		600	43,191	-	42,591
Advance payment for purchases of investment properties and leasehold rights		631,891	200,395	347,265	192,449
Total		800,523	956,166	468,633	453,319

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18 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<i>Current</i>					
Unsecured short-term loans from related parties	4	<u>-</u>	<u>-</u>	<u>15,755,599</u>	<u>13,815,857</u>
Current portion of long-term loans from financial institutions					
- unsecured		<u>1,490,970</u>	<u>2,077,680</u>	<u>1,490,970</u>	<u>2,077,680</u>
Current portion of long-term loans from institutional investors					
- secured		66,650	91,302	-	-
- unsecured		<u>3,150,000</u>	<u>3,000,000</u>	<u>3,150,000</u>	<u>3,000,000</u>
		<u>3,216,650</u>	<u>3,091,302</u>	<u>3,150,000</u>	<u>3,000,000</u>
Total current portion of long-term loans		<u>4,707,620</u>	<u>5,168,982</u>	<u>4,640,970</u>	<u>5,077,680</u>
Total current		<u>4,707,620</u>	<u>5,168,982</u>	<u>20,396,569</u>	<u>18,893,537</u>
<i>Non-current</i>					
Unsecured long-term loans from related parties	4	<u>-</u>	<u>-</u>	<u>3,460,149</u>	<u>3,505,587</u>
Other long term loans					
Long-term loans from financial institutions					
- unsecured		<u>4,556,190</u>	<u>5,597,160</u>	<u>4,556,190</u>	<u>5,597,160</u>
Long-term loans from institutional investors					
- secured		40,477	107,128	-	-
- unsecured		<u>8,600,000</u>	<u>11,750,000</u>	<u>8,600,000</u>	<u>11,750,000</u>
		<u>8,640,477</u>	<u>11,857,128</u>	<u>8,600,000</u>	<u>11,750,000</u>
Total other long term loans		<u>13,196,667</u>	<u>17,454,288</u>	<u>13,156,190</u>	<u>17,347,160</u>
Total non-current		<u>13,196,667</u>	<u>17,454,288</u>	<u>16,616,339</u>	<u>20,852,747</u>
Total		<u>17,904,287</u>	<u>22,623,270</u>	<u>37,012,908</u>	<u>39,746,284</u>

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within one year	4,707,620	5,168,982	20,396,569	18,893,537
After one year but within five years	10,796,667	13,954,288	14,216,339	17,352,747
After five years	2,400,000	3,500,000	2,400,000	3,500,000
Total	17,904,287	22,623,270	37,012,908	39,746,284

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Investment properties				
- Buildings and improvements	2,038,003	1,827,705	-	-
- Land	179,512	179,512	-	-
Total	2,217,515	2,007,217	-	-

As at 31 December 2016 the Group had unutilised credit facilities totalling Baht 9,446 million (2015: Baht 8,154 million).

Long-term loans from financial institutions

In September 2011, the Company entered into not exceeding of Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principal in 36 monthly instalments of Baht 41.7 million each on the last working day of the month, beginning in September 2013. The Company already utilised of the said facility. During the year 2016, the Company fully repaid loan to a financial institution.

In December 2011, the Company entered into a loan agreement denominated in Thai Baht of Baht 3,000 million with a local financial institution. The agreement covered a grace period of 2 years. The loan was monthly payable in 60 instalments of Baht 50 million per instalment. The first repayment was due in October 2013. The Company already fully utilised of the said facility. During the year 2016, the Company fully repaid loan to a financial institution.

In June 2012, the Company entered into a loan agreement denominated in Thai Baht of Baht 1,500 million from a local financial institution. The agreement covers a grace period of 2 years. The loan is monthly payable in 36 instalments of Baht 41.7 million per instalment. The first repayment was due in June 2014. The Company already fully utilised of the said facility.

In December 2013, the Company has a loan dominated in Thai Baht of Baht 1,000 million from a local financial institution. Such agreement stipulates that the Company repays the principal instalments totalling 36 monthly instalments of Baht 27.8 million on the last working day of the month due for each period and the rest in final instalment, beginning with the first instalment on the last working day of 25th month. The Company already fully utilised of the said facility.

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In December 2013, the Company entered into a Baht 1,000 million credit facility (Term Loan) agreement with a financial institution. Such agreement shall completely repay the drawn down amount, by November 2020. The Company agreed to pay interest on the last working day of the month and return principal in 60 monthly instalments, beginning in December 2015. The Company already fully utilised of the said facility.

In October 2014, the Company had a loan denominated in Thai Baht of Baht 2,000 million from a local financial institution. Such agreement stipulates that the Company repays the principal in 36 monthly instalments as instalments 1-35 of Baht 55 million each and instalment 36 will be the remaining as final instalment. The Company already fully utilised of the said facility.

In September 2015, the Company entered into not exceeding of Baht 1,000 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principal in 36 monthly instalments. The Company already fully utilised of the said facility and started repayment for the first period in October 2017.

In December 2015, the Company entered into not exceeding of Baht 3,000 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principal in 36 monthly instalments. As at 31 December 2016, the Company already utilised Baht 1,500 million (*2015: Baht 1,000 million*) of the said facility and started repayment for the first period in January 2018.

Long-term loans from institutional investors

In March 2011, the Company issued through private placement Baht 500 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing on 25 March 2016, and pay interest every six-month period.

In April 2011, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing on 29 March 2016, and pay interest every six-month period.

In October 2011, the Company issued through private placement Baht 1,200 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing on 12 October 2016, and pay interest every six-month period.

In October 2011, the Company issued through private placement Baht 300 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 10 years, maturing on 12 October 2021, and pay interest every six-month period.

In October 2011, the Company issued through private placement Baht 500 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 7 years, maturing on 12 October 2018, and pay interest every six-month period.

In December 2011, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years and 1 month, maturing on 23 January 2017, and pay interest every six-month period.

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In June 2012, the Company issued, through a private placement, Baht 1,500 million worth of Thai Baht denominated, principal instalment, name registered, non-subordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years. The first repayment was due by June 2014 and mature in June 2017. The principal and the interest is paid every six-month period.

In February 2014, the Company issued through private placement Baht 1,500 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 3 years, maturing in February 2017, and pay interest every six-month period.

In April 2014, the Company issued through private placement Baht 500 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 3 years, maturing in April 2017, and pay interest every six-month period, as referred in the agreement.

In November 2014, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing in 7 November 2019, and pay interest every six-month period.

In June 2015, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 6 years, 7 month and 10 days, maturing on 21 January 2022, and pay interest on maturing.

In August 2015, the Company issued through private placement Baht 1,400 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 3 years, maturing on 6 August 2018, and pay interest twice a year.

In August 2015, the Company issued through private placement Baht 1,400 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing on 6 August 2020, and pay interest twice a year.

In August 2015, the Company issued through private placement Baht 800 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 7 years, maturing on 6 August 2022, and pay interest twice a year.

In December 2015, the Company issued through private placement Baht 800 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing on 16 December 2020, and pay interest twice a year.

In December 2015, the Company issued through private placement Baht 800 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 6 years, maturing on 16 December 2021, and pay interest twice a year.

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In December 2015, the Company issued through private placement Baht 600 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 7 years, maturing on 16 December 2022, and pay interest twice a year.

As at 31 December 2016, secured loans of Baht 107 million of the Group (*2015: Baht 198 million*) were collateralised by investment properties under projects being financed by such facilities.

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Effective interest rates and reprising / maturing analysis

		Consolidated financial statements			
	Effective interest rate	Loans from-at floating interest rate	Loans from-at fixed interest rate and the periods in which those liabilities mature		Fair value
			Within 1 year	After 1 year but within 5 years (in thousand Baht)	
2016					
Loans from financial institutions and institutional investors	3.14	4,946,060	3,441,560	7,116,667	17,904,287
				2,400,000	18,221,648
2015					
Loans from financial institutions and institutional investors	3.33	5,831,760	3,833,280	9,458,230	22,623,270
				3,500,000	23,103,731
		Separate financial statements			
	Effective interest rate	Loans from-at floating interest rate	Loans from-at fixed interest rate and the periods in which those liabilities mature		Fair value
			Within 1 year	After 1 year but within 5 years (in thousand Baht)	
2016					
Loans from financial institutions and institutional investors	3.14	4,838,930	3,441,560	7,116,670	17,797,160
				2,400,000	18,133,386
2015					
Loans from financial institutions and institutional investors	3.32	5,633,330	3,833,280	9,458,230	22,424,840
				3,500,000	22,900,931

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19 Trade accounts payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	34,384	39,952	40,390	56,173
Other parties		790,848	864,127	412,346	535,219
Total		825,232	904,079	452,736	591,392

20 Other payables

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Other accounts payable		1,976,329	2,065,443	325,453	375,449
Retention payable		1,949,680	1,874,805	1,107,141	1,007,630
Accrued expenses		1,055,836	887,784	649,725	497,031
Unearned income		156,339	117,136	70,333	49,250
Accrued interest expense		141,979	128,891	141,979	128,891
Advance received from real estate customers		142,504	-	-	-
Others		125,632	122,526	72,730	50,699
Total		5,548,299	5,196,585	2,367,361	2,108,950

21 Employee benefit obligations

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

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

Movement in the present value of the defined benefit obligations:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January		274,544	193,476	234,731	167,230
Include in profit or loss:	28				
Current service cost		34,275	19,133	28,426	9,354
Interest on obligation		8,759	7,508	7,395	6,450
Included in other comprehensive income					
Actuarial loss		-	57,951	-	54,901

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	Consolidated financial statements		Separate financial statements	
	<i>Note</i> 2016	2015 (in thousand Baht)	2016	2015
Other				
Benefit paid	(5,499)	(3,524)	(3,998)	(3,204)
Defined benefit obligations at 31 December	312,079	274,544	266,554	234,731

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2016	2015 (in thousand Baht)	2016	2015
Demographic assumptions	-	(82)	-	(138)
Financial assumptions	-	47,664	-	37,591
Experience adjustment	-	10,369	-	17,448
Total	-	57,951	-	54,901

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		(%)		
Discount rate	3.3	3.3	3.3	3.3
Future salary growth	8.0	8.0	8.0	8.0

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

At 31 December 2016, the weighted-average duration of the defined benefit obligation was 20 years (2015: 20 years).

Sensitivity analysis

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

	Consolidated financial statements		Separate financial statements	
	(in thousand Baht)			
Defined benefit obligation 31 December 2016	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(36,538)	43,829	(29,811)	35,548
Future salary growth (1% movement)	41,842	(35,772)	33,954	(29,193)

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	Consolidated financial statements		Separate financial statements	
	<i>(in thousand Baht)</i>			
Defined benefit obligation 31 December 2015	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(32,694)	39,204	(26,946)	32,132
Future salary growth (1% movement)	37,427	(32,009)	30,691	(26,388)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

22 Share capital

	Par Value <i>(in Baht)</i>	2016 Number	2016 Baht <i>(thousand share / thousand Baht)</i>	2015 Number	2015 Baht
<i>Authorised</i>					
At 1 January					
- ordinary shares	0.5	<u>4,488,000</u>	<u>2,244,000</u>	<u>4,488,000</u>	<u>2,244,000</u>
At 31 December					
- ordinary shares	0.5	<u>4,488,000</u>	<u>2,244,000</u>	<u>4,488,000</u>	<u>2,244,000</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	0.5	<u>4,488,000</u>	<u>2,244,000</u>	<u>4,488,000</u>	<u>2,244,000</u>
At 31 December					
- ordinary shares	0.5	<u>4,488,000</u>	<u>2,244,000</u>	<u>4,488,000</u>	<u>2,244,000</u>

Share premium

Section 51 of the Public Companies Act B.E. 1992 requires companies to set aside share subscription monies received in excess of the par value of the shares issued as a reserve account ("share premium"). Share premium is not available for dividend distribution.

23 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 1992 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Central Pattana Public Company Limited and its Subsidiaries

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Other components of equity

Currency translation differences

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

Fair value changes in available-for-sale investments

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

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

Surplus from business combination involving entities under common control

Surplus from business combination involving entities under common control represents the excess of the book value of business under common control over cost as of the acquisition date and have been recorded as a surplus. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

24 Segment information

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services. The chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

<i>Segment 1</i>	Development of shopping centre buildings, office building and condominiums for rent including provision of utility services, operator of play land and water theme park in the shopping centre buildings
<i>Segment 2</i>	Sales of food and beverage in the shopping centres
<i>Segment 3</i>	Hotel business
<i>Segment 4</i>	Real estate business for sales of land and houses and condominium units

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

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Information about reportable segments

	Segment 1		Segment 2		Segment 3		Segment 4		Total
	2016	2015	2016	2015	2016	2015	2016	2015	
External revenue	25,246,527	22,231,356	1,389,465	1,067,713	997,708	983,497	-	-	24,282,566
Inter-segment revenue	43,056	41,422	165	8	1,979	765	-	-	42,195
Total segment revenue	25,289,583	22,272,778	1,389,630	1,067,721	999,687	984,262	-	-	24,324,761
Interest revenue	26,334	22,961	-	-	517	1,356	15	-	24,317
Finance cost	632,965	507,723	-	-	494	991	1	-	508,714
Depreciation and amortisation	4,874,759	4,209,042	39,819	33,387	202,716	207,658	5,367	-	4,450,087
Segment profit (loss) before income tax	11,896,464	10,322,007	244,168	162,100	491,422	425,786	(5,353)	-	10,909,893
Share of profit of associates	858,498	745,771	-	-	-	-	-	-	745,771
Share of profit (loss) of joint venture	(5,579)	3,533	-	-	-	-	-	-	3,533
Material items of income and expense									
Other material non-cash items:									
- Reversal of allowance for impairment	-	166,226	-	-	-	-	-	-	166,226
- Capital expenditure	6,449,105	8,719,240	93,563	36,918	46,090	23,645	13,741	396	8,780,199
Reportable segment assets as at 31 December	87,325,163	86,497,279	229,385	143,462	1,580,359	1,739,115	438,069	-	88,379,856
Reportable segment liabilities as at 31 December	1,863,529	2,997,157	4,069	8,129	177,272	185,073	240,520	-	3,190,359

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Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2016 (in thousand Baht)	2015	
Revenues			
Total revenue from reportable segments	27,678,900	24,324,761	
Other revenue	1,627,216	1,589,283	
	<u>29,306,116</u>	<u>25,914,044</u>	
Elimination of inter-segment revenue	(45,200)	(42,195)	
Consolidated revenue	<u>29,260,916</u>	<u>25,871,849</u>	
Profit			
Total profit for reportable segments	12,626,701	10,909,893	
Elimination of inter-segment profits	(144,690)	(277,628)	
Unallocated amounts:			
- Other revenue	1,600,350	1,564,966	
- Other expenses	(3,901,916)	(3,498,284)	
Share of profit (loss) of joint venture	(5,579)	3,533	
Share of profit of associates	858,498	745,771	
Consolidated profit before income tax	<u>11,033,364</u>	<u>9,448,251</u>	
Assets			
Total assets for reportable segments	89,572,976	88,379,856	
Other unallocated amounts			
- Investment	6,940,415	7,333,788	
- Deferred tax assets	1,215,934	789,230	
- Other assets	6,798,023	6,541,758	
Consolidated total assets	<u>104,527,348</u>	<u>103,044,632</u>	
Liabilities			
Total liabilities for reportable segments	2,285,390	3,190,359	
Other unallocated amounts			
- Loans	17,904,287	22,623,270	
- Deferred tax liabilities	35,150	76,594	
- Other liabilities	31,297,720	30,353,292	
Consolidated total liabilities	<u>51,522,547</u>	<u>56,243,515</u>	
Other material items	Reportable segment totals	Adjustments (in thousand Baht)	Consolidated totals
2016			
Interest revenue	26,866	-	26,866
Finance cost	633,460	-	633,460
Depreciation and amortisation	5,122,661	-	5,122,661
2015			
Interest revenue	24,317	-	24,317
Finance cost	508,714	-	508,714
Depreciation and amortisation	4,450,087	-	4,450,087

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Geographical information

The Group is mostly managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customer

Revenue from Central Department Store Group of the Group's 1 and 2 segments represents approximately Baht 1,669 million (2015: Baht 1,479 million) of the Group's total revenues.

25 Investment income

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<i>Dividend income</i>					
Subsidiaries and funds	4	-	-	3,712,902	3,298,549
Associates	4	-	-	742,368	736,471
Other parties		130	130	130	130
		<u>130</u>	<u>130</u>	<u>4,455,400</u>	<u>4,035,150</u>
<i>Interest income</i>					
Subsidiaries and funds	4	-	-	462,055	521,741
Other related parties	4	6,711	5,651	6,711	5,651
Other parties		20,155	18,666	16,030	12,400
		<u>26,866</u>	<u>24,317</u>	<u>484,796</u>	<u>539,792</u>
Total		<u>26,996</u>	<u>24,447</u>	<u>4,940,196</u>	<u>4,574,942</u>

26 Other income

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Expenses charged by tenants		761,166	753,950	308,786	283,077
Management fees	4	490,756	431,229	769,020	703,224
Reversal of allowance for impairment	12, 14	-	166,226	-	133,334
Others		348,297	213,431	501,114	390,847
Total		<u>1,600,219</u>	<u>1,564,836</u>	<u>1,578,920</u>	<u>1,510,482</u>

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27 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Marketing expenses	936,343	839,975	678,397	537,994
Personnel expenses	2,071,364	1,804,812	1,757,731	1,380,919
Administrative expenses	267,483	261,506	186,100	181,692
Depreciation	504,497	532,182	175,973	152,253
Others	626,726	591,991	371,989	378,310
Total	4,406,413	4,030,466	3,710,190	2,631,168

28 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Wages and salaries	1,939,934	1,727,946	1,483,869	1,192,615
Contribution to defined contribution plans	44,297	38,006	36,782	31,703
Others	816,424	714,570	591,801	463,821
Total	2,800,655	2,480,522	2,112,452	1,688,139

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly and separately by the employees and the Group at the rates ranging from 3% to 10% of employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

29 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Personnel expenses	28	2,800,655	2,480,522	2,112,452	1,688,139
Depreciation / amortisation	12, 13, 14, 15	5,122,661	4,450,087	2,493,173	1,853,102
Finance costs	30	633,460	508,714	1,251,274	1,096,034
Utility expenses		3,733,119	3,680,498	2,328,395	2,181,764
Rental expenses		1,719,258	1,497,446	1,294,908	1,096,283
Marketing expenses	27	936,343	839,975	678,397	537,994
Consulting and other fees		323,850	318,367	209,208	206,205
Others		3,811,126	3,397,293	1,720,464	1,402,813
Total		19,080,472	17,172,902	12,088,271	10,062,334

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30 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Interest expense:					
- subsidiaries, funds and other related parties	4	16	225	596,186	571,601
- financial institutions and institutional investors		657,173	641,542	665,851	675,742
Fee					
- financial institutions and institutional investors		16,825	16,441	16,113	14,912
Total finance costs		674,014	658,208	1,278,150	1,262,255
<i>Less</i> amounts included in the cost of qualifying assets:					
- Real estate projects under development	9	(1,192)	-	-	-
- Investment properties, property plant and equipment and leasehold rights		(39,362)	(149,494)	(26,876)	(166,221)
		(40,554)	(149,494)	(26,876)	(166,221)
Net		633,460	508,714	1,251,274	1,096,034

Finance costs for the year 2016 has been capitalised as costs of properties under development at rates ranging from 2%-5% per annum (2015: ranging from 2%-5% per annum), representing the weighted average interest rate of general purposes borrowings.

31 Income tax

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		2,154,484	1,539,552	897,271	644,215
		2,154,484	1,539,552	897,271	644,215
Deferred tax expense					
Movements in temporary differences		(468,148)	(108,922)	(262,444)	(113,817)
	16	(468,148)	(108,922)	(262,444)	(113,817)
Total		1,686,336	1,430,630	634,827	530,398

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Income tax recognised in other comprehensive income

Consolidated financial statements					
	2016			2015	
	Tax			Tax	
	(expense)			(expense)	
	benefit			benefit	
	Before	Net of	Before	Net of	
	tax	tax	tax	tax	
		(in thousand Baht)			
Defined benefit plan actuarial losses	-	-	(57,951)	11,590	(46,361)
Total	-	-	(57,951)	11,590	(46,361)

Separate financial statements					
	2016			2015	
	Tax			Tax	
	(expense)			(expense)	
	benefit			benefit	
	Before	Net of	Before	Net of	
	tax	tax	tax	tax	
		(in thousand Baht)			
Defined benefit plan actuarial losses	-	-	(54,901)	10,980	(43,921)
Total	-	-	(54,901)	10,980	(43,921)

Reconciliation of effective tax rate

Consolidated financial statements				
	2016		2015	
	Tax rate	(in thousand	Tax rate	(in thousand
	(%)	Baht)	(%)	Baht)
Profit before income tax expense		11,033,364		9,448,251
Income tax using the tax rate	20	2,206,673	20	1,889,650
Income from Thai operations not subject to tax		(568,443)		(498,583)
Expenses not deductible for tax purposes		17,019		10,700
Elimination in consolidated financial statement from income not subject to tax		31,087		28,863
Total	15	1,686,336	15	1,430,630

Separate financial statements				
	2016		2015	
	Tax rate	(in thousand	Tax rate	(in thousand
	(%)	Baht)	(%)	Baht)
Profit before total income tax expense		7,835,302		6,809,972
Income tax using the tax rate	20	1,567,060	20	1,361,995
Income from Thai operations not subject to tax		(934,133)		(832,702)
Expenses not deductible for tax purposes		1,900		1,105
Total	8	634,827	8	530,398

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Income tax reduction

Royal Decree No. 42 B.E. 2559 dated 3 March 2016 grants the reduction to 20% of net taxable profit for the accounting period 2016 which begins on or after 1 January 2016.

32 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years, calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht/thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>9,243,797</u>	<u>7,880,310</u>	<u>7,200,475</u>	<u>6,279,574</u>
Number of ordinary shares outstanding at 1 January	<u>4,488,000</u>	<u>4,488,000</u>	<u>4,488,000</u>	<u>4,488,000</u>
Weighted average number of Ordinary shares outstanding (basic)	<u>4,488,000</u>	<u>4,488,000</u>	<u>4,488,000</u>	<u>4,488,000</u>
Basic earnings per share (in Baht)	<u><u>2.06</u></u>	<u><u>1.76</u></u>	<u><u>1.60</u></u>	<u><u>1.40</u></u>

33 Dividends

At the Company's annual general meeting of the shareholders of the Company held on 21 April 2016, the shareholders approved the distribution of dividend from 2015 operating result in the amount of Baht 0.70 per share, totalling Baht 3,141.5 million, and was paid to the shareholders in May 2016.

At the Company's annual general meeting of the shareholders of the Company held on 24 April 2015, the shareholders approved the distribution of dividend from 2014 operating result in the amount of Baht 0.65 per share, totalling Baht 2,917.2 million, and was paid to the shareholders in May 2015.

34 Financial instruments

Financial risk management policies

The principal financial risks faced by the Group are interest rate risk, foreign currency risk and credit risk. The Group borrows at both fixed and floating rates of interest to finance its operations. Credit risk arises from the risk in the capability of collectability of rental income.

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For the year ended 31 December 2016

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Board monitors the return on capital which the Group defines as result from operating activities divided by total shareholders' equity, excluding minority interests, and also the level of dividends to ordinary shareholders.

Risk management: Main sources of capital of the Group are from equity, long-term debts including local money and capital markets through which the Group issues debentures and transfers assets to property funds. The Group abides by conservative capital structure policies which consist of maintaining net interest-bearing debt to equity ratio at approximately 1, procuring capital with appropriate and market-consistent cost of capital and maintaining the level of floating interest rate debts below that of the fixed interest rate to prevent interest rate fluctuation risk.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and borrowing interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

The effective interest rates of debt securities and loans receivable as at 31 December and the periods in which the loans receivable and debt securities mature or re-price were disclosed in notes to the financial statements as follows:

Note 4	Related parties
Note 18	Interest-bearing liabilities

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group will consider to utilise forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies.

Credit risks

The current policies established by the Group to manage credit risk are:

- To collect an advance received as deposit for rental which is generally equivalent to 6 times of monthly rental income from customers.
- To terminate rental contracts for tenants whose rental fees are outstanding over 90 days.

Liquidity risks

The liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The objective of liquidity risk management of the Group is to have appropriate and sufficient capital for cash outflow for investment at present and in the future and to be able to invest such capital to gain appropriate returns under investment policies of the Group.

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Carrying amount and fair values

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

		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
Financial assets and financial liabilities measured at fair value					
Equity securities available for sale	3,190	3,190	-	-	3,190
Investments in marketable unit trusts classified as available-for-sale investments	711,640	-	711,640	-	711,640
Derivatives	(3,210)	-	-	(3,210)	(3,210)
Financial assets and financial liabilities not measured at fair value					
Current portion of loans from financial institutions and institutional investors	(4,707,620)	-	-	-	(4,730,709)
Loans from financial institutions and institutional investors	(13,196,667)	-	-	-	(13,490,939)
		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
Financial assets and financial liabilities measured at fair value					
Equity securities available for sale	3,190	3,190	-	-	3,190
Investments in marketable unit trusts classified as available-for-sale investments	561,954	-	561,954	-	561,954
Financial assets and financial liabilities not measured at fair value					
Investment in funds	5,471,953	-	-	-	13,063,475

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		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
Current portion of loans from financial institutions and institutional investors	(4,640,970)	-	-	-	(4,663,353)
Loans from financial institutions and institutional investors	(13,156,190)	-	-	-	(13,450,033)
		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2015					
<i>Financial assets and financial liabilities measured at fair value</i>					
Equity securities available for sale	3,050	3,050	-	-	3,050
Investments in marketable unit trusts classified as available-for-sale investments	1,736,679	-	1,736,679	-	1,736,679
Derivatives	(31,628)	-	-	(31,628)	(31,628)
<i>Financial assets and financial liabilities not measured at fair value</i>					
Current portion of loans from financial institutions and institutional investors	(5,168,982)	-	-	-	(5,233,500)
Loans from financial institutions and institutional investors	(17,454,288)	-	-	-	(17,870,231)
		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2015					
<i>Financial assets and financial liabilities measured at fair value</i>					
Equity securities available for sale	3,050	3,050	-	-	3,050
Investments in marketable unit trusts classified as available-for-sale investments	1,588,124	-	1,588,124	-	1,588,124

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Notes to the financial statements

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	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
31 December 2015					
<i>Financial assets and financial liabilities not measured at fair value</i>					
Investment in funds	5,495,953	-	-	-	12,918,784
Current portion of loans from financial institutions and institutional investors	(5,077,680)	-	-	-	(5,140,187)
Loans from financial institutions and institutional investors	(17,347,160)	-	-	-	(17,760,744)

The Group and the Company did not disclose the fair value of financial instruments such as short-term fixed deposits at financial institutions, trade accounts receivable, other receivables, loans to related parties, trade accounts payable, other payables, contractor payables, loans from related parties, accounts payable for leasehold rights, deposits received from customers because their book value are close to fair value as these financial instruments have short-term maturity.

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivatives	<i>In cases where there is an active market, the Group/Company uses the market value as the fair value of derivatives.</i>	Not applicable	Not applicable
Equity securities available for sale	<i>Published price quotation in an active market at reporting date</i>	Not applicable	Not applicable
Investments in marketable unit trusts classified as available-for-sale investments	<i>Net Assets Value as at reporting date</i>	Not applicable	Not applicable

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Financial instruments not measured at fair value

Type	Valuation technique
Loans from financial institutions	Discounted cash flows
Loans to and loans from related parties	Discounted cash flows

35 Impact from fire damage as a result of political demonstration

On 16 December 2011, the Group has made a prosecution against insurance company as a result of the fire incident at Central World shopping centre. The Group has claimed for the indemnity from Industrial All Risks policy at the amount of Baht 2,848.4 million for the Group itself and/or The Bureau of the Crown Property and also claimed from the Business Interruption of Baht 989.8 million for the Group.

On 1 March 2013 the Court of first instance has ruled the judgment in favor of the Group.

In August 2013, the insurance company has filed the appeal objecting against such judgement of Court of first instance to the Appeal Court. Subsequently, the Group had filed the appeal to the Appeal Court in December 2013.

On 9 October 2014, the Appeal Court reversed the judgement of the First Court. As a result, the insurance company did not have to make payment of compensation to the Group.

Subsequently, on 9 March 2015, the Group had filed the appeal objecting against such judgment of the Appeal Court to the Supreme Court.

As at 31 December 2016, the lawsuit is still under the Supreme Court's consideration. The management believes that the Group will be able to claim for the amount of indemnity. However, the Group had not received the said indemnity which is still under the court's consideration.

36 Leasing properties

CPN Retail Growth Leasehold Property Fund ("CPNRF")

The Board of Directors' meeting held on 9 August 2013, approved in principle to lease the partial property for a period of 30 years and sell the partial property of CentralPlaza Chiangmai Airport from the Central Pattana Chiangmai Company Limited, which is a subsidiary of the Company, 99.99 percent shareholding, to the CPN Retail Growth Leasehold Property Fund ("CPNRF") as follows:

- Leasing the partial land where the shopping centre, the multipurpose hall, the indoor parking space in the building, including the surrounding roads and the entrances and exits (excluding other land under development).
- Leasing partial of one shopping centre and multipurpose hall, including indoor parking spaces (in proportion to the utilized areas of the shopping centre and the multipurpose hall to be leased). Whereby, it excluded spaces to be leased to Robinson Department Store, under long-term lease, and the rental area located in parking spaces.
- Leasing the system relevant to the shopping centre, the multipurpose hall, and the indoor parking spaces of the building.
- Selling the furniture, fixture and equipment.

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On 23 April 2014, the Group has rented a partial of the above mentioned Central Plaza Chiangmai Airport Project to CPNRF, totalling approximately Baht 10,496 million (this amount excludes additional issuance and offering expenses of Baht 128 million, which was the responsibility of the Company). The Group had collected the total lease amount in April 2014 and the Company has invested in investment units increasing capital of CPNRF at percentage of 23.53 of total investment units to increase capital of CPNRF or 135,593,664 units at the value of Baht 15 per unit totalling Baht 2,033.90 million. As a result, the Company has investment units in CPNRF totalling 590,521,686 units and the proportion of holding investment had changed from 27.80% before increasing the capital to 26.69% after increasing the capital.

37 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in million Baht)			
Capital commitments				
Contracted but not provide for				
Buildings and facility systems	4,835	2,485	3,141	1,963
Total	4,835	2,485	3,141	1,963
Non-cancellable operating lease commitments				
Within one year	669	656	125	114
After one year but within five years	3,445	3,218	626	587
After five years	24,661	25,557	6,594	6,758
Total	28,775	29,431	7,345	7,459
Other commitments				
Bank guarantees	811	504	644	309
Real estate projects under development agreements	1,052	-	-	-
Total	1,863	504	644	309

(a) Forward contracts

As at 31 December 2016, the Group has forward contracts covering Malaysian Ringgit currencies with a local financial institution totalling of Malaysian Ringgit 29.5 million (2015: Malaysian Ringgit 47.8 million). The repayment terms of the forward contracts are less than one year

As at 31 December 2016, the Group has forward contracts covering US Dollar currencies with a local financial institution totalling of US Dollars 7 million (2015: nil). The repayment terms of the forward contracts are less than one year.

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- (b) A subsidiary entered into a hotel management agreement with a third party whereby the subsidiary agrees to pay annual management fee at the rate of 2% of the hotel's annual operating income and additional compensation as a percentage of gross operating profit as follows:
- 7% from the start of operations to the second year of operation
 - 7.5% from the third to the fourth year of operation
 - 8% from the fifth year of operation onwards
- (c) The Group entered into a land lease agreement with a third party for the construction of a shopping centre for lease. The lease agreement was for a period of 30 years ending in December 2041. Under the conditions of the agreement, the Group paid advance rental and has to pay monthly rental. The rental will be increased every three years at the rate of 10% of the latest monthly rental.
- (d) The Group entered into a land lease agreement with the third party for the construction of a shopping centre for lease. The lease agreement was for a period of 30 years ending in May 2027. Under the conditions of the agreement, the Group paid advance rental and has to pay monthly rental. The rental will be increased every five years at the rate of 10% of the latest month rental.
- (e) On 29 June 2007, the Group entered into two land lease agreements with a local company for the construction of a shopping centre for lease. Under the conditions of the lease agreements, the Group had to pay advance rental. The first agreement was land lease agreement with no monthly rental for the period of 3 years, from 1 July 2007 to 30 June 2010. The other agreement is a land lease agreement for the period of 30 years from 1 July 2010 to 30 June 2040. Under the conditions of the second lease agreement, the Group had to pay the land rental charge of Baht 700,000 per month which will be increased at the rate of 15% of the latest month rental, every three years from 1 July 2013. This agreement can be renewed for another 10-year period (till 30 June 2050).
- (f) The Group entered into three lease agreements with the third parties for the construction of shopping centre for lease and shophouses. Two land lease agreements were for a period of 30 years ending in August 2025 and in June 2030, respectively. Another agreement is for a lease of shophouses for a period of 26 years ending in July 2021. Under the conditions of the agreements, the Group has to pay advance rental and guarantee deposit for leasehold rights. In addition, the Group has to pay a monthly rental which will be revised every five years. The Group received a refundable guarantee deposit amounting to Baht 20 million in 1997 and will receive the remaining balance of the refundable guarantee deposits amounting to Baht 298.6 million from the 21st year of the lease until the 30th year of the lease. The land lease agreements can be renewed for a further period of not less than 15 years by giving written notification one year in advance prior to expiration of the lease period as mutually agreed rate and compensation. The lessor will obtain the ownership rights of shopping centre buildings and structures thereon at the expiration of the lease agreement. Upon the expiration of the shophouse lease, the lessor will give the Group a priority in renewing the lease agreement.

The Group entered into three land lease agreements with the third parties for the construction of shopping centre for lease. The lease agreements were for a period of 30 years ending in February 2038. Under the conditions of the agreements, the Group had to pay advance rental and annual rental. The rental will be increased every 3 years at the rate of 12%. The lease agreements can be renewed for another 10-year period by entering into the agreements 2 years prior to the expiration of the lease with the mutually agreed rate and compensation.

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- (g) In 2003, the Group entered into a land with structure lease agreement with The Crown Property Bureau (“Property Bureau”). The lease agreement was for a period of 30 years ending in December 2032. Under the conditions of the agreement, the Group has to pay a monthly rental. The agreement can be renewed for another 30-year period as mutually agreed rate and compensation. The lessor obtained the ownership rights of additional structures started from the date of lease agreement.

In 2007, the Group entered into two memorandums of understanding comprising of the cancellation of certain land lease under the principal agreement with Property Bureau (“the lessor”) and appointment of its related company as the new lessee under conditions stipulated in a new agreement between the lessor and the related company for a period of 25 years commencing 1 January 2007 to 22 December 2032. The Group had obtained the compensation from the related company in acquisition of leasehold rights and compensation from cancellation of leasehold rights amounting to Baht 214.3 million and Baht 19.2 million, respectively. However, the Group still has commitment to pay rental fee to Property Bureau.

On 19 August 2011, the Group entered into the addition land with structure lease agreement from the principal agreement with Property Bureau. The lease agreement was for a period of 21 years and 7 months ending in December 2032. Under the conditions of the agreement the Group has to pay advance annual rental. The agreement can be renewed for another 30-year period by entering into the agreement in advance 3 years prior to the expiration of the lease agreement as mutually agreed rate and compensation. The lessor will give the Company a priority in renewing the lease agreement.

On 25 September 2013, the Group entered into the third memorandum of understanding to amend the lease agreement with Property Bureau by amending the renewal period from the 30 years to 38 years, after the completion of the lease period. The lease conditions will be the same, except that the rental charges would be divided into two phases, 8 years and 30 years, respectively, under the following conditions:

- The first 8-year phase, (from 31th year - 38th year), after the expiration date of the lease period, the lessee has to give a written notification for the renewing of the agreement. The lessor and the Group have to enter into a renewal agreement or a new lease agreement within 22 December 2029, by paying annual rental under the conditions as stated in the lease agreement.
 - The 30-year phase, (39th - 68th year inclusive), after the expiration date of the first 8-year term, under the conditions of the lease agreement, the Group has to give a written notification for the renewing of the agreement to the lessor within 22 December 2035, in order to fix a new rate of the rental charge, also to enter into the renewal agreement, or the new lease agreement within 22 December 2037.
- (h) In 2005, the Group entered into a land lease agreement with a local company for the construction of shopping centre and parking building. The lease agreement was for a period of 28 years 10 months ending in September 2034. Under the conditions of the agreement, the Group has to pay a monthly rental from September 2006. The rental will be increased every five years at the rate of 5% of the latest month rental. The lease agreements can be renewed by giving written notification in advance not less than six months prior to expiration of the lease agreement as mutually agreed rate and compensation.

Subsequently, in 2009, the Group entered into a memorandum of understanding to amend for partial land lease agreement under the same period and condition as it may be surrendered to the government for the mass rapid transit.

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On 9 August 2007, the Group entered into a land with structure lease agreement with the third party. The lease agreement was for the period of 30 years ending in 31 August 2037. Under the conditions of the agreement, the Group has to pay an annual rental. The rental will be increased every five years at the rate of 35% of the latest monthly rental. The lease agreement can be renewed by giving written notification in advance not less than one year prior to expiration of the agreement.

During 2015, the Group entered into a land lease agreement with the third party. The lease agreement was for a period of 3 years, ending on 31 March 2018. Under the conditions of the agreement, the Group has to pay a monthly rental. The lease agreement can be renewed as mutually agreed conditions by giving written notification in advance not less than 60 days prior to the expiration of the agreement.

- (i) The Group entered into two lease agreements with third parties for the construction of shopping centres for lease. The first land lease agreement was for a period of 2 years commencing 21 June 2012 to 20 June 2014. Under the conditions of the agreement, the Group has to pay annual rental of Baht 1.5 million. The second agreement is a land lease agreement for the period of 30 years from 21 June 2014 to 20 June 2044. Under the conditions of the agreement, the Group has to pay monthly rental which will be increased every three years at the rate of 15%. This agreement can be renewed as mutually agreed conditions by giving written notification in advance not less than three months from the notification date from the lessor.
- (j) The Group entered into a land lease agreement with the third parties for the construction of shopping centres for lease. The land lease agreement was for a period of 30 years ending in September 2043. Under the conditions of the agreement, the Group had to pay advance rental and annual rental. The rental will be increased every five years at the rate of 15% of the latest annual rental. The lease can be renewed for another 10-year period by entering into the agreement in advance 2 years prior to expiration of the lease agreement as the mutually agreed rate and compensation.
- (k) On 25 September 2013, the Company entered into the first memorandum of understanding to amend the lease agreement with Property Bureau dated 19 August 2011 as described in (g) by amending the renewal period from the 30 years to 38 years after the expiration of the lease period. The lease conditions will be the same, except that the rental charges would be divided into two phases, 8 years and 30 years, respectively, under the following conditions:
 - The first 8-year phase after the expiration of the lease period, the lessee has to give a written notification and has enter into a renewal agreement or a new lease agreement within 22 December 2029, by paying annual rental under the conditions as stated in the lease agreement.
 - The 30-year phase after the expiration of the first 8-year term, under the conditions of the lease agreement, the Company has to give a written notification to the lessor within 22 December 2035 in order to fix a new rate of the rental charge, also to enter into the renewal agreement, or the new lease agreement within 22 December 2037.
- (l) The Company entered into a land lease agreement with the third party for construction of a shopping centre for lease. The lease agreement was for a period of 30 years ending in September 2045. Under the conditions of the agreement, the Company had to pay advance rental and annual rental. The rental will be increased every three years at the rate of 15 % of the latest annual rental.

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- (m) The Company entered into several land lease agreements with the third party for construction of a shopping centre for lease. The lease agreements were for a period of 30 years. However, these agreements can be extended for another 10 years and ending in June 2056. Under the condition of the agreement, the Company has to pay annual rental. The rental will be increased every three years at the rate of 10 % of the latest annual rental.
- (n) The Company entered into sublease land agreements, utility system service agreements and shopping centre lease agreement with a local company, for a period of 20 years ending on 30 April 2035. Under the conditions of the agreements, the Company had to pay for leasehold right in the amount of Baht 292.1 million and annual rental throughout the agreement period totalling Baht 1,239.7 million and the monthly service fee throughout the agreement period totalling Baht 62.5 million.
- (o) The Company entered into a land lease agreement with the third party for construction of a shopping centre. The lease agreement was for a period of 30 years and ending in June 2046. Under the conditions of the agreement, the Company has to pay annual rental which will be increased every ten years. In 2016, the Company entered into lease agreement extension for another 10 years. The agreement will end in June 2056.

38 Contingent liabilities

Guarantee

As at 31 December 2016, the Company entered into a loan guarantee agreement for subsidiaries totalling Baht 274 million (2015: Baht 305 million).

39 Events after the reporting period

Service agreement

The Company entered into the service agreement with Hang Central Department Store Co., Ltd. a related party, for business consulting and setting policies on business operation of the Company. The agreement was for a period of 3 year ending in 31 December 2019. Under the agreement, the Company had to pay monthly service fee amounted to 0.55% of the revenues from property assets managed by the Company that comprise of rental and service income, food and beverage income and property management fee income. The sum of the maximum service fees paid during the agreement term will not exceed Bath 623.7 million.

CPN Ventures Sdn. Bhd.

In January 2017, at the extraordinary shareholders meeting No.1/2017 of CPN Ventures Sdn. Bhd. the shareholders approved a resolution to increase the registered capital from Malaysian Ringgit 5 million to Malaysian Ringgit 10 million by reissuing the new ordinary share capital as common stock, totalling 5 million shares with par value of Malaysian Ringgit 1 per share. On 24 January 2017, CPN Ventures Sdn. Bhd. had received the payment of the said shares, totaling Malaysian Ringgit 1.6 million.

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Central Plaza i-City Real Estate Sdn. Bhd.

In January 2017, the Board of Directors meeting of Central Plaza i-City Real Estate Sdn. Bhd. approved a resolution to increase the paid up share capital from Malaysian Ringgit 112.5 million to Malaysian Ringgit 138.4 million by increasing the newly issued and paid up 25.9 million ordinary shares with par value of Malaysian Ringgit 1 per share in order to use for its working capital. The Group invested in those increased shares in amount of Malaysian Ringgit 15.5 million (equivalent to Baht 132.0 million) at the same proportion of shareholding of the Group.

In February 2017, the Board of Directors meeting of Central Plaza i-City Real Estate Sdn. Bhd. approved a resolution to increase the paid up share capital from Malaysian Ringgit 138.4 million to Malaysian Ringgit 149.0 million by increasing the newly issued and paid up 10.6 million ordinary shares with par value of Malaysian Ringgit 1 per share in order to use for its working capital. The Group invested in those increased shares in amount of Malaysian Ringgit 6.4 million (equivalent to Baht 49.4 million) at the same proportion of shareholding of the Group.

Dividend

At the Board of Directors' meeting of the Company held on 27 February 2017, the Board of Directors passed a resolution to the annual general meeting of the shareholders to approve the appropriation of dividend of Baht 0.83 per share, amounting to Baht 3,725.0 million.

40 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 106 (revised 2016)	Accounting For Investment Entities

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

TFRS	Topic
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation
TFRS 3 (revised 2016)	Business Combinations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) <i>Employee Benefits</i> – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate

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

AUDITOR'S FEE

AUDIT FEE

In 2016 audit fee out of the Company and its subsidiaries has been paid for audit firm that the auditor work for amounted to Baht 6,550,000.

OTHER SERVICE FEE

- None -

MANAGEMENT BIOGRAPHY



MR. SUTHICHAIRATHIVAT

Chairman

Date of being a director of the Company

28 March 2000

Age 76 Years

Shareholding in the Company

- Held personally 3,312,800 shares (0.0738%)
- Held by spouse or minor children 22,293,200 shares (0.4967%)

Family Relationship among Directors and Executives

- Elder Brother of Mr. Suthikiati Chirathivat, Mr. Suthichart Chirathivat, Mr. Sudhisak Chirathivat, Mr. Sudhitham Chirathivat, Mr. Suthipak Chirathivat, Ms. Wallaya Chirathivat and Mrs. Narttaya Chirathivat
- Uncle of Mr. Kobchai Chirathivat, Mr. Prin Chirathivat and Mr. Chanavat Uahwatanasakul

Education

- Diploma in Civil Engineering, Kingston College of Technology, U.K.

5-year Past Experiences

- Year 2009 – 2013 Chairman of the Supervisory Board, Central Group of Companies Co., Ltd.

Positions in other listed companies in SET

- Vice Chairman, Central Plaza Hotel Plc.

Positions in Non-Listed Companies

- Chairman of the Board of Directors, Central Group of Companies Co., Ltd.

Completed Program from Thai Institute of Directors (IOD)

- Year 2015 - Seminar Chairman Forum 2015 (R-CF)
- Year 2006 - Director Accreditation Program (DAP)
- Year 2000 - Role of Chairman Program (RCP)

Other Training Courses / Seminars

- None -



MR. PAITON TAVEEBHOL

Independent Director

Chairman of the Audit Committee

Chairman of the Risk Policy Committee

Date of being a director of the Company

10 July 2002

Age 66 Years

Shareholding in the Company

- Held personally (None)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- None -

Education

- B.A. (Accounting), Ramkhamhaeng University
- MBA, Kasetsart University
- Certificate in Auditing, Thammasat University

5-year Past Experiences

- Year 2010 – 2012 Independent Director, Chairman of Audit Committee, Member of Corporate Governance Committee Big C Supercenter Plc.
- Year 2008 – 2011 Audit, Following and Evaluation Committee, Walailak University
- Year 2008 – 2011 President, Mater Dei Institute Parent and Teacher Association
- Year 2008 – 2011 Vice Chairman, Mater Dei Institute Foundation

Positions in Other Listed Companies in SET

- Independent Director, Chairman of the Audit Committee, KCE Electronics Plc.
- Independent Director, Chairman of the Nomination and Remuneration Committee, Audit and CG Committee Member, Somboon Advance Technology Plc.

Positions in Non-Listed Companies

- Chairman, Zen Corporation Group Co., Ltd.
- Independent Director, Audit Committee Member, EASY BUY Plc.

Completed Program from Thai Institute of Directors (IOD)

- Year 2016
 - Seminar CAC Conference 1/2016
 - Seminar National Director Conference 1/2016
 - Seminar Director Luncheon Briefing 2/2016
- Year 2015
 - Seminar Director Luncheon Briefing 1/2015
 - Seminar National Director Conference 2015
 - Seminar Director Luncheon Briefing 4/2015
 - Seminar CAC Conference 2015
 - Seminar Director Forum 2/2015
- Year 2012
 - Anti-Corruption for Executive Program (ACEP)
- Year 2010
 - Monitoring the Internal Audit Function (MIA)
 - Monitoring the System of Internal Control and Risk Management (MIR)
 - Monitoring the Quality of Financial Reporting (MFR)
 - Role of the Compensation Committee (RCC)
- Year 2009
 - Monitoring Fraud Risk Management (MFM)
- Year 2008
 - Chartered Director Class (R-CDC)
- Year 2005
 - Audit Committee Program (ACP)
 - Role of Chairman Program (RCP)
- Year 2003
 - Director Certification Program (DCP)
 - Director Accreditation Program (DAP)

Other Training Courses / Seminars

- Year 2016
 - Seminar CG Forum 1/2016, The Stock Exchange of Thailand
- Year 2015
 - Seminar CG Forum 1/2015, The Stock Exchange of Thailand
 - Seminar Thailand CG Forum : Governance as a driving force for business sustainability, The Stock Exchange of Thailand
 - Seminar The 2015 Asian Roundtable on Corporate Governance, The Securities and Exchange Commission



MR. KARUN KITTISATAPORN

Independent Director
Member of the Audit Committee
Chairman of the Nomination
and Remuneration Committee

Date of being a director of the Company

10 April 2009

Age 69 Years

Shareholding in the Company

- Held personally (None)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- None -

Education

- B.C.A. (Economics) Victoria University of Wellington, New Zealand
- M.A. (International Trade), Syracuse University, U.S.A.
- Diploma, GATT Commercial Policy Course, Geneva, Switzerland

5-year Past Experiences

- Year 2007 – 2014 Director, Insurance Commission
- Year 2009 – 2011 Commission Member, Securities and Exchange Commission
- Year 2008 – 2011 Director, Public Sector Development Commission

Positions in Other Listed Companies in SET

- Audit Committee Member, Khon Kaen Sugar Industry Plc.
- Independent Director, Nomination and Remuneration Committee, Khon Kaen Sugar Industry Plc.
- Independent Director, Audit Committee Member, Sahamit Machinery Plc.
- Independent Director, Chairman of the Nomination and Remuneration Committee, Bank of Ayudhya Plc.

Positions in Non-Listed Companies

- Member, Committee on International Economic Policy

- Chairman of the Executive Committee, The Support Arts and Craft International Centre of Thailand (Public Organization)
- Commission Member, The Office of the Council of State

Completed Program from Thai Institute of Directors (IOD)

- Year 2013 - Monitoring The Internal Audit Function (MIA)
- Anti-Corruption for Executive Program (ACEP)
- Year 2011 - Financial Institutions Governance Program (FGP)
- Monitoring the Quality of Financial Reporting (MFR)
- Year 2009 - Audit Committee Program (ACP)
- Financial Statements for Directors (FSD)
- Year 2008 - Role of the Compensation Committee (RCC)
- Year 2006 - Director Certification Program (DCP)

Other Training Courses / Seminars

- National Defence College, The Joint State-Private Sectors Course, Class 8

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MRS. JOTIKA SAVANANANDA

Independent Director

Member of the Audit Committee

Member of the Nomination and Remuneration Committee

Date of being a director of the Company

25 September 2015

Age 56 Years

Shareholding in the Company

- Held personally (None)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- None -

Education

- BA (Psychology), University of Minnesota, USA
- MS (Psychology), University of San Francisco, California, U.S.A
- MBA (Finance and International Business), Sasin Graduate Institute of Business Administration, Chulalongkorn University

5-year Past Experiences

- Year 2014 – 2015 Director, Government Housing Bank
- Year 2009 – 2014 President, Chairman of the Investment Committee, Member of the Risk Management Committee
SCB Asset Management Co., Ltd.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- Chairman, Talis Asset Management Co., Ltd.
- Governor, Chairman of the Audit Committee, The Stock Exchange of Thailand
- Commission Member, Office of Insurance Commission

Completed Program from Thai Institute of Directors (IOD)

- Year 2015 - Risk Management Committee Program (RMP)
- Advanced Audit Committee Program (AACP)
- Year 2006 - Director Certification Program (DCP)

Other Training Courses / Seminars

- Certificate, Capital Market Academy Leadership Program, Class 10
- Certificate, Thailand Insurance Leadership Program, Class 5
- National Defence College, The Joint State-Private Sectors Course, Class 20

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MR. VERAVAT CHUTICHETPONG

Independent Director

Member of the Audit Committee

Date of being a director of the Company

21 April 2016

Age 56 Years

Shareholding in the Company

- Held personally (None)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- None -

Education

- BE in Civil Engineering, Faculty of Engineering, Chulalongkorn University
- MBA, Stern School of Business, New York University, U.S.A.

5-year Past Experiences

- Year 2010 – 2016 Director, Phatra Capital Plc.
- Year 2003 – 2016 Director and Chairman of the Audit Committee, Phatra Securities Plc.
- Year 2012 – 2013 Director, Kiatnakin Bank Plc.

Positions in Other Listed Companies in SET

- Independent Director, Kiatnakin Bank Plc.

Positions in Non-Listed Companies

- Chairman, Aksorn Education Plc.
- Director, Alpha Absolute Co., Ltd.

Completed Program from Thai Institute of Directors (IOD)

- Year 2016 - Corporate Governance for Capital Market Intermediaries (CGI)
- Year 2005 - Director Accreditation Program (DAP)

Other Training Courses / Seminars

- None -



MR. SUTHIKIATI CHIRATHIVAT
Director

Date of being a director of the Company

10 July 2002

Age 74 Years

Shareholding in the Company

- Held personally 22,645,900 shares (0.5046%)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- Younger brother of Mr. Suthichai Chirathivat
- Elder brother of Mr. Suthichart Chirathivat, Mr. Sudhisak Chirathivat, Mr. Sudhitham Chirathivat, Mr. Suthipak Chirathivat, Ms. Wallaya Chirathivat and Mrs. Narttaya Chirathivat
- Uncle of Mr. Kobchai Chirathivat, Mr. Prin Chirathivat and Mr. Chanavat Uahwatanasakul

Education

- Diploma in Mechanical Engineering, South West Essex Technical College, U.K.
- B.A. (Political Science), Ramkhamhaeng University
- M.A. (Political Science), Ramkhamhaeng University

5-year Past Experiences

- Year 2014 – 2016 Honorary Advisor,
Thai Hainanese Trade Association

Positions in Other Listed Companies in SET

- Chairman, Central Plaza Hotel Plc.
- Director, Chairman of Executive Committee,
Post Publishing Plc.

Positions in Non-Listed Companies

- Advisor to Chairman of the Constitutional Court
- Committee of Ramkhamhaeng University Council,
Ramkhamhaeng University
- Director, Central Department Store Co., Ltd.
- Director, CRG International Food Co., Ltd.
- Director, CRG Manufacturing Co., Ltd.
- Director, Central Restaurant Group Co., Ltd.
- Director, Post International Media Co., Ltd.
- Director, Post - ACP Co., Ltd.
- Director, Post - IM Plus Co., Ltd.
- Director, Thai Tourism Industry Association

Completed Program from Thai Institute of Directors (IOD)

- Year 2008 - Director Accreditation Program (DAP)

Other Training Courses / Seminars

- National Defence College, The Joint State-Private Sectors Course, Class 1
- National Defence College, The Modern Management, Class 1



MR. SUTHICHART CHIRATHIVAT

Director

Date of being a director of the Company

10 July 2002

Age 71 Years

Shareholding in the Company

- Held personally 12,972,400 shares (0.2890%)
- Held by spouse or minor children 9,318,200 shares (0.2076%)

Family Relationship among Directors and Executives

- Younger brother of Mr.Suthichai Chirathivat and Mr. Suthikiati Chirathivat
- Elder brother of Mr. Sudhisak Chirathivat, Mr. Sudhitham Chirathivat, Mr. Suthipak Chirathivat, Ms. Wallaya Chirathivat and Mrs. Narttaya Chirathivat
- Uncle of Mr. Kobchai Chirathivat, Mr. Prin Chirathivat and Mr. Chanavat Uahwatanasakul

Education

- B.A. (Accounting), St. Joseph's College. U.S.A.

5-year Past Experiences

- Year 2009 – 2014 Director of Supervisory Board, Central Group of Companies Co., Ltd.

Positions in Other Listed Companies in SET

- Director, Central Plaza Hotel Plc.

Positions in Non-Listed Companies

- Vice Chairman of Board of Directors, Central Group of Companies Co., Ltd.
- Director, Treasurer, Billiard Sports Association of Thailand
- Director, Tiang Chirathivat Foundation

Completed Program from Thai Institute of Directors (IOD)

- Year 2004 - Director Accreditation Program (DAP)
- Year 2003 - Finance for Non-Finance Directors (FND)
 - Board and CEO Assessment
- Year 2000 - Role of Chairman Program (RCP)

Other Training Courses / Seminars

- National Defence College, The Joint State-Private Sectors Course, Class 11



MR. SUDHISAK CHIRATHIVAT

Director

Advisory of the Nomination and Remuneration Committee

Date of being a director of the Company

10 July 2002

Age 71 Years

Shareholding in the Company

- Held personally 28,346,400 shares (0.6316%)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- Younger Brother of Mr.Suthichai Chirathivat, Mr. Suthikiati Chirathivat and Mr. Suthichart Chirathivat
- Elder Brother of Mr. Sudhitham Chirathivat, Mr. Suthipak Chirathivat, Ms. Wallaya Chirathivat and Mrs. Narttaya Chirathivat
- Uncle of Mr. Kobchai Chirathivat, Mr. Prin Chirathivat and Mr. Chanavat Uahwatanasakul

Education

- B.A. (Mathematic), St. John Fisher College, U.S.A.

5-year Past Experiences

- None -

Positions in Other Listed Companies in SET

- Chairman, Robinson Department Store Plc.
- Director, Central Plaza Hotel Plc.

Positions in Non-Listed Companies

- Director, Central Group of Companies Co., Ltd.
- Director, Central Garment Factory Co., Ltd.
- Director, Central Trading Co., Ltd.

Completed Program from Thai Institute of Directors (IOD)

- Year 2007 - Director Accreditation Program (DAP)
- Director Certification Program (DCP)

Other Training Courses / Seminars

- None -



MR. SUDHITHAM CHIRATHIVAT

Director (Authorized Signature)
Member of the Nomination
and Remuneration Committee

Date of being a director of the Company

1 March 1995

Age 69 Years

Shareholding in the Company

- Held personally 26,764,600 shares (0.5964%)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- Younger Brother of Mr. Suthichai Chirathivat, Mr. Suthikiati Chirathivat, Mr. Suthichart Chirathivat and Mr. Sudhisak Chirathivat
- Elder Brother of Mr. Suthipak Chirathivat, Ms. Wallaya Chirathivat and Mrs. Narttaya Chirathivat
- Uncle of Mr. Kobchai Chirathivat, Mr. Prin Chirathivat and Mr. Chanavat Uahwatanasakul

Education

- B.A. (Electrical Engineering), University of Maryland (College Park), U.S.A.
- MBA (Operations Research), Iona University, U.S.A.

5-year Past Experiences

- Year 2007 – 2015 Advisory of the Nomination and Remuneration Committee, Central Pattana Plc.

- Year 2009 – 2013 Chairman of Executive Committee, Central Group of Companies Co., Ltd.
- Year 2011 Director, Big C Supercenter Plc.

Positions in Other Listed Companies in SET

- Independent Director, Jasmine International Plc.
- Vice Chairman, Robinson Department Store Plc.
- Director, Central Plaza Hotel Plc.

Positions in Non-Listed Companies

- Director, Central Group of Companies Co., Ltd.
- Director, Central Holding Co., Ltd.
- Director, The Vintage Club Co., Ltd.

Completed Program from Thai Institute of Directors (IOD)

- Year 2003 - Director Certification Program (DCP)

Other Training Courses / Seminars

- National Defence College, The Joint State-Private Sectors Course, Class 13



MR. KOBCHAI CHIRATHIVAT

Director (Authorized Signature)
Member of the Risk Policy Committee

Date of being a director of the Company

1 March 1995

Age 60 Years

Shareholding in the Company

- Held personally 27,105,400 shares (0.6040%)
- Held by spouse or minor children 113,000 shares (0.0025%)

Family Relationship among Directors and Executives

- Nephew of Mr. Suthichai Chirathivat, Mr. Suthikiati Chirathivat, Mr. Suthichart Chirathivat, Mr. Sudhisak Chirathivat, Mr. Sudhitham Chirathivat, Mr. Suthipak Chirathivat, Ms. Wallaya Chirathiva and Mrs. Narttaya Chirathivat
- Cousin of Mr. Prin Chirathivat and Mr. Chanavat Uahwatanasakul

Education

- LL.B. (Law), Chulalongkorn University
- M.A. (Political Science), University of Norte Dame, U.S.A.
- MBA, University of Chicago, Graduate School of Business, U.S.A.

5-year Past Experiences

- Year 2012 – 2016 Director, Malee Group Plc.
- Year 2002 – 2013 President & CEO, Central Pattana Plc.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- Director and Member of Executive Committee, Central Group of Companies Co., Ltd.
- Director, Sakura Restaurant Co., Ltd.
- Director, Central Advance System Co., Ltd.

Completed Program from Thai Institute of Directors (IOD)

- Year 2014 - National Director Conference (NDC)
- Year 2001 - Director Certification Program (DCP)

Other Training Courses / Seminars

- National Defence College, The Joint State-Private Sectors Course, Class 21



MR. PRIN CHIRATHIVAT

Director (Authorized Signature)

Member of the Risk Policy Committee

Advisory of the Nomination

and Remuneration Committee

Date of being a director of the Company

1 March 1995

Age 54 Years

Shareholding in the Company

- Held personally 42,145,895 shares (0.9391%)
- Held by spouse or minor children 192,000 shares (0.0043%)

Family Relationship among Directors and Executives

- Nephew of Mr. Suthichai Chirathivat, Mr. Suthikiati Chirathivat, Mr. Suthichart Chirathivat, Mr. Sudhisak Chirathivat, Mr. Sudhitham Chirathivat, Mr. Suthipak Chirathivat, Ms. Wallaya Chirathiva and Mrs. Narttaya Chirathivat
- Cousin of Mr. Kobchai Chirathivat and Mr. Chanavat Uahwatanasakul

Education

- B.A. (Accounting), Skidmore College, U.S.A.
- MBA (Business Management), Sasin Graduate Institute of Business Administration, Chulalongkorn University

5-year Past Experiences

- Year 2004 – 2012 Advisor, Marketing For Alternative Investment (MAI)
- Year 2003 – 2012 Chairman of Audit Committee, Bualuang Securities Plc.
- Year 1999 – 2012 Director, Malee Group Plc.

Positions in Other Listed Companies in SET

- Director, Central Plaza Hotel Plc.
- Director, Robinson Department Store Plc.
- Member of Audit Committee, Bumrungrad Hospital Plc.

Positions in Non-Listed Companies

- Director, Thai Chamber of Commerce
- Steering Support Committee, Chiangrai Rajabhat University
- Director, Member of Executive Committee, Deputy Group CEO, Central Group of Companies Co., Ltd.
- Director, Executive Director, Central Retail Corporation Co., Ltd.

Completed Program from Thai Institute of Directors (IOD)

- Year 2010 - Advanced Audit Committee Program (AACP)
- Year 2009 - Monitoring Fraud Risk Management (MFM)
- Monitoring of the Quality of Financial Reporting (MFR)
- Year 2007 - Monitoring the Internal Audit Function (MIA)
- Monitoring the System of Internal Control and Risk Management (MIR)
- Year 2006 - Chief Financial Officer (CFO)
- Year 2005 - Director Accreditation Program (DAP)
- Audit Committee Program (ACP)
- Role of Chairman Program (RCP)
- Year 2000 - Director Certification Program (DCP)

Other Training Courses / Seminars

- Psychology Workshop, Institute of Security Psychology, Class 73
- Graduate Diploma in Management of Public Economy Class 4/2005, King Prajadhipok's Institute
- Capital Market Academy Leadership Program 2004, Class 1
- The Programmer for senior Executives on Justice Administration Batch, Class 13/2008
- National Defence College, The Joint State-Private Sectors Course, Class 22

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MR. PREECHA EKKUNAGUL

Director (Authorized Signature)
President & CEO
Member of the Risk Policy Committee

Date of being a director of the Company

25 April 2014

Age 58 Years

Shareholding in the Company

- Held personally (None)
- Held by spouse or minor children 3,000 shares (0.0001%)

Family Relationship among Directors and Executives

- None -

Education

- B.Sc. (Chemical Engineering), Chulalongkorn University
- M.Eng., Asian Institute of Technology

5-year Past Experiences

- Year 2012 – 2014 Director, Office Mate Plc.
- Year 2003 – 2014 Director, Executive Director, President, Robinson Department Store Plc. and its Subsidiaries

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- None -

Completed Program from Thai Institute of Directors (IOD)

- Year 2005 - Director Certification Program (DCP)
- Year 2004 - Director Accreditation Program (DAP)

Other Training Courses / Seminars

- Capital Market Academy Leadership Program 2008, Class 7 / 2008

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MR. SUTHIPAK CHIRATHIVAT

Senior Executive Vice President,
Office of the President

Age 55 Years

Shareholding in the Company

- Held personally 25,589,600 shares (0.5702%)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- Younger Brother of Mr. Suthichai Chirathivat, Mr. Suthikiati Chirathivat, Mr. Suthichart Chirathivat, Mr. Sudhisak Chirathivat and Mr. Sudhitham Chirathivat
- Elder Brother of Ms. Wallaya Chirathivat and Mrs. Narttaya Chirathivat
- Uncle of Mr. Kobchai Chirathivat, Mr. Prin Chirathivat and Mr. Chanavat Uahwatanasakul

Education

- B.A (Political Science), Ramkhamhaeng University
- Mini MBA (Property), Faculty of Architecture, Chulalongkorn University
- Mini MBA, Faculty of Commerce and Accountancy, Chulalongkorn University
- Executive MBA, Sasin Graduate Institute of Business Administration, Chulalongkorn University

5-year Past Experiences

- Year 2009 – 2014 Executive Vice President, Office of the President, Central Pattana Plc.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- None -

Completed Program from Thai Institute of Directors (IOD)

- Year 2001 - Director Certification Program (DCP)

Other Training Courses / Seminars

- Advanced Management Program - Executive Course, Harvard Business School, U.S.A.

- Real Estate Investment, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- National Defence College, The Joint State-Private Sectors Course, Class 24
- Leadership Program, Capital Market Academy (CMA), Class 8
- The Executive Program in Energy Literacy for a Sustainable Future (TEA), Class 5
- Politics and Governance in Democratic Systems for Executives, Class 9, King Prajadhipok's Institute
- The Seven Habits of Highly Effective People, Franklin Covey

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MS. WALLAYA CHIRATHIVAT

Senior Executive Vice President,
Business Development and Project
Construction

Age 55 Years

Shareholding in the Company

- Held personally 17,199,200 shares (0.3832%)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- Younger Sister of Mr. Suthichai Chirathivat, Mr. Suthikiati Chirathivat, Mr. Suthichart Chirathivat, Mr. Sudhisak Chirathivat, Mr. Sudhitham Chirathivat and Mr. Suthipak Chirathivat
- Elder Sister of Mrs. Narttaya Chirathivat
- Aunt of Mr. Kobchai Chirathivat, Mr. Prin Chirathivat and Mr. Chanavat Uahwatanasakul

Education

- B.A. (Business Management), University of California, Los Angeles (UCLA), U.S.A.
- MBA, University of Hartford, U.S.A.

5-year Past Experiences

- Year 2005 - 2011 Executive Vice President, Business Development and Project Construction, Central Pattana Plc.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- President, Thai Shopping Center Association

Completed Program from Thai Institute of Directors (IOD)

- None -

Other Training Courses / Seminars

- Advanced Management Program - Executive Course, Harvard Business School, U.S.A.
- PoompalungPandin Class 3, Chulalongkorn University
- National Defence College, The Joint State-Private Sectors Course, Class 25
- Leadership Program, Capital Market Academy (CMA), Class 10

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MS. NAPARAT SRIWANVIT

Senior Executive Vice President,
Finance, Accounting and Risk Management

Age 44 Years

Shareholding in the Company

- Held personally 54,000 shares (0.0012%)
- Held by spouse or minor children 24,000 shares (0.0005%)

Family Relationship among Directors and Executives

- None -

Education

- B.A. (Faculty of Commerce and Accountancy), Chulalongkorn University
- M.A. (Faculty of Commerce and Accountancy), Thammasat University
- Certified Public Accountant (CPA), Member of the Federation of Accounting Professions, Thailand

5-year Past Experiences

- Year 2013 – 2014 Executive Vice President, Finance, Accounting and Risk Management, Central Pattana Plc.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- None -

Completed Program from Thai Institute of Directors (IOD)

Year 2002 - Company Secretary Program (CSP) Class 2

Other Training Courses / Seminars

- Finance for Executives Program, INSEAD Business School, France

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MRS. PANIDA SOOKSRIDAKUL

Executive Vice President,
Property Management

Age 61 Years

Shareholding in the Company

- Held personally (None)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- None -

Education

- B.A (Political Science), Ramkhamhaeng University
- M.A (Political Science), Ramkhamhaeng University

5-year Past Experiences

- Year 2011 - 2012 Acting Executive Vice President, Property Management, Central Pattana Plc.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- None -

Completed Program from Thai Institute of Directors (IOD)

- None -

Other Training Courses / Seminars

- None -

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MRS. RATTANA ANOONTAKAROONExecutive Vice President,
Leasing**Age 57 Years****Shareholding in the Company**

- Held personally (None)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- None -

Education

- BBA (General Management), Sukhothai Thammathirat Open University
- MBA, National Institution of Development Administration

5-year Past Experiences

- Year 2014 – 2016 Senior Vice President, Merchandising Robinson Department Store Plc.
- Year 2006 – 2014 Vice President, Merchandising Robinson Department Store Plc.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- None -

Completed Program from Thai Institute of Directors (IOD)

- None -

Other Training Courses / Seminars

- None -

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MAJOR NARIT RATANAPHICHETCHAIExecutive Vice President,
Project Development**Age 57 Years****Shareholding in the Company**

- Held personally (None)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- None -

Education

- B. ARCH, Chulalongkorn University
- M. ARCH, Chulalongkorn University
- Engineer Officer Basic Course, Engineer Department, Royal Thai Army
- Engineer Officer Advance Course, Engineer Department, Royal Thai Army

5-year Past Experiences

- Year 2004 - 2013 Senior Vice President, Project Development, Central Pattana Plc.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- None -

Completed Program from Thai Institute of Directors (IOD)

- Year 2014 - Modern Manager Program (MMP)

Other Training Courses / Seminars

- Executive Financial Management, Chulalongkorn University
- Leadership Program, Capital Market Academy (CMA), Class 21

19

MRS. NARTTAYA CHIRATHIVAT

Executive Vice President,
Office of the President

Age 53 Years

Shareholding in the Company

- Held personally 17,102,200 shares (0.3811%)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- Younger Sister of Mr. Suthichai Chirathivat, Mr. Suthikiati Chirathivat, Mr. Suthichart Chirathivat, Mr. Sudhisak Chirathivat, Mr. Sudhitham Chirathivat, Mr. Suthipak Chirathivat and Ms. Wallaya Chirathivat
- Aunt of Mr. Kobchai Chirathivat, Mr. Prin Chirathivat and Mr. Chanavat Uahwatanasakul

Education

- B.A. (Economic), University of Hartford, U.S.A.
- MBA, University of Hartford, France

5-year Past Experiences

- Year 2010 – 2013 Executive Vice President, Leasing, Central Pattana Plc.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- None -

Completed Program from Thai Institute of Directors (IOD)

- None -

Other Training Courses / Seminars

- None -

20

FIT. LT. KREE DEJCHAI

Executive Vice President,
Special Project Development

Age 53 Years

Shareholding in the Company

- Held personally (None)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- None -

Education

- B.E. (Civil Engineering), Chiang Mai University
- MBA, Kasetsart University

5-year Past Experiences

- Year 2009 – 2013 Chief Operating Officer, SC Asset Corporation Plc.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- None -

Completed Program from Thai Institute of Directors (IOD)

- None -

Other Training Courses / Seminars

- National Defence College, The Joint State-Private Sectors Course, Class 55

21

DR. NATAKIT TANGPOONSINTHANAExecutive Vice President,
Marketing**Age 52 Years****Shareholding in the Company**

- Held personally (None)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- None -

Education

- B.A. (Communication Arts), Chulalongkorn University
- M.A. (Communication), The University of North Texas, U.S.A.
- MBA (Marketing), The University of North Texas, U.S.A.
- Ph.D. Communication (Broadcasting Management), Chulalongkorn University

5-year Past Experiences

- Year 2006 - Present Executive Vice President, Marketing, Central Pattana Plc.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- Subcommittee, Thailand National Committee on Competitive Benchmarking Development
- Director, Metropolitan Waterworks Authority
- Counselor, Thailand Management Association (TMA)
- Visiting Lecturer-Mass Communication, The Faculty of Communication Arts, Chulalongkorn University

Completed Program from Thai Institute of Directors (IOD)

- None -

Other Training Courses / Seminars

- None -

22

MR. CHANAVAT UAHWATANASAKULExecutive Vice President,
Business Development**Age 44 Years****Shareholding in the Company**

- Held personally 17,504,866 shares (0.3900%)
- Held by spouse or minor children (None)

Family Relationship among Directors and Executives

- Nephew of Mr. Suthichai Chirathivat, Mr. Suthikiati Chirathivat, Mr. Suthichart Chirathivat, Mr. Sudhisak Chirathivat, Mr. Sudhitham Chirathivat, Mr. Suthipak Chirathivat, Ms. Wallaya Chirathiva and Mrs. Narttaya Chirathivat
- Cousin of Mr. Kobchai Chirathivat and Mr. Prin Chirathivat

Education

- BS (Industrial Engineering), Chulalongkorn University
- MBA, Marshall School of Business, University of Southern California (Los Angeles, U.S.A)
- MS (Finance/Supply Chain Management), Marshall School of Business, University of Southern California, U.S.A. (Los Angeles, U.S.A)

5-year Past Experiences

- Year 2013 - 2016 Senior Vice President, Development, Central Pattana Plc.

Positions in Other Listed Companies in SET

- None -

Positions in Non-Listed Companies

- None -

Completed Program from Thai Institute of Directors (IOD)

- None -

Other Training Courses / Seminars

- Advanced Management Program - Executive Course, Harvard Business School, U.S.A.

GENERAL INFORMATION OF BUSINESS HELD BY THE COMPANY 10% UPWARD

	Company	Nature of Business	Registered Capital (THB)	Percentage of Shareholding
1	Central Realty Services Co., Ltd. ¹⁾ 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Servicing of Shopping Center Facilities (Partially) : CentralPlaza Lardprao	1,000,000	99.99%
2	Central Food Avenue Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Restaurant operations and servicing of shopping complex and food center : CentralPlaza Chaengwattana and CentralPlaza Pinklao (Partially)	5,000,000	99.99%
3	Central Pattana Realty Co., Ltd. ^{1) 2)} 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Holding Company and servicing of shopping facilities : CentralPlaza Lardprao	1,003,658,000	99.99% (Directly 99.64% and held by Central Realty Service Co., Ltd. 0.36%)
4	Central Pattana Rama 2 Co., Ltd. 160 Rama 2 Rd., Samaedum, Bangkhuntian, BKK.10150 Tel +66 (0) 2866 4300	Shopping Center : CentralPlaza Rama 2	1,500,000,000	99.99%
5	Central Pattana Chiangmai Co., Ltd. 2 Mahidol Rd., 252-252/1 Wualai Road, Haiya, Muang Chiangmai, Chiangmai 50100 Tel +66 (0) 5399 9199	Shopping Center : CentralPlaza Chiangmai Airport	1,000,000,000	99.99%
6	Central Pattana Rattana Thibet Co., Ltd. 562, 566 Rattana Thibet Rd., Bangkrasor, Muang Nontaburi, Nontaburi 11000 Tel +66 (0) 2834 6000	Shopping Center : CentralPlaza Rattana Thibet	800,000,000	99.99%
7	Central Pattana Rama 3 Co., Ltd. 79 Sathupradit Rd., Chongnonsee, Yannawa, BKK.10120 Tel +66 (0) 2649 6000	Shopping Center : CentralPlaza Rama 3	324,738,000	99.99%
8	Central Pattana Khon Kaen Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Shopping Center : CentralPlaza Khonkaen	2,000,000,000	78.13%
9	Central Pattana Chonburi Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Shopping Center : CentralPlaza Chonburi	900,000,000	99.99%
10	Central Pattana Nine Square Co., Ltd. 9/9 Rama 9 Rd., Huai Khwang, BKK.10310 Tel +66 (0) 2103 5999	Shopping Center/ Office : CentralPlaza Grand Rama 9	3,200,000,000	93.30%

Company	Nature of Business	Registered Capital (THB)	Percentage of Shareholding
11 Bangna Central Property Co., Ltd. 587, 589 Bangna-Trad Rd., Bangna, BKK.10260 Tel +66 (0) 2763 6000	Shopping Center/Office/Residential/ Playland at CentralPlaza Bangna	1,160,563,400	99.99% (Held by Central Pattana Realty Co., Ltd.)
12 CPN Pattaya Co., Ltd. 999/9, Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Shopping Center : CentralFestival Pattaya Beach and The Hilton Pattaya Hotel	2,500,000,000	99.99%
13 Central World Co., Ltd. 4, 4/1-4/2, 4/4 Ratchadumri Rd., Patumwan, BKK. 10330 Tel +66 (0) 2640 7000	Centara Hotel & Convention Centre Udon Thani, Shopping Center : CentralPlaza Udonthani, CentraPlaza Phitsanulok, CentralPlaza Ubonratchathani and CentralFestival Samui	2,511,938,100	99.99% (Held directly 90.00% and held by Bangna Central Property Co., Ltd. 10.00%)
14 Siam Retail Development Co., Ltd. 587, 589, 589/7-9 Ramindra Rd., Kannayao, BKK. 10230 Tel +66 (0) 2947 5000	Shopping Center : Fashion Island	500,000,000	15.00% (Held by Central Pattana Realty Co., Ltd. and Square Ritz Plaza Co., Ltd.)
15 Square Ritz Plaza Co., Ltd. 587 Ramindra Rd., Kannayao, BKK. 10230 Tel +66 (0) 2947 5000	Real Estate Developer	125,000,000	12.00% (Held by Central Pattana Realty Co., Ltd.)
16 Ayudhya Agrocit Co., Ltd. 3/10 M.17 Bangna-Trad Rd., Bangpleeyai, Bangplee, Samutprakarn 10540 Tel +66 (0) 2399 4510	Real Estate Developer	400,000,000	11.85% (Held by Central Pattana Realty Co., Ltd.)
17 CPN Retail Growth Leasehold Property Fund Managed by SCB Asset Management Co., Ltd. SCB Park Plaza 1, 7 th - 8 th Floor, 18 Ratchadapisek Rd., Chatuchak, BKK. 10900 Tel. +66 (0) 2949 1500	Property Investment in CentraPlaza Rama 2, CentralPlaza Rama 3, CentralPlaza Pinklao and CentralPlaza Chiangmai Airport	24,406,207,630	26.69%
18 CPN Commercial Growth Leasehold Property Fund Managed by SCB Asset Management Co., Ltd. SCB Park Plaza 1, 7 th - 8 th Floor, 18 Ratchadapisek Rd., Chatuchak, BKK. 10900 Tel. +66 (0) 2949 1500	Property Investment in The Offices at CentralWorld	4,394,381,700	25.00%

Company	Nature of Business	Registered Capital (THB)	Percentage of Shareholding
19 Thai Business Fund 4 Managed by Krung Thai Asset Management Plc. 1 Empire Tower, 32 nd Fl., South Sathorn Rd., Yannawa, Sathorn, BKK. 10120 Tel. +66 (0) 2686 6100	Property Investment in CentralWorld	5,443,793,159 ³⁾	100.00%
20 Thai Business Fund 5 Managed by Krung Thai Asset Management Plc. 1 Empire Tower, 32 nd Fl., South Sathorn Rd., Yannawa, Sathorn, BKK. 10120 Tel. +66 (0) 2686 6100	Property Investment in CentralPlaza Bangna	52,160,000 ³⁾	100.00%
21 CPN Residence Co.,Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Residential Developer : ESCENT Chiangmai and Rayong	1,000,000,000	99.99%
22 Central Pattana Developmennt Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Shopping Center: CentralPlaza Chiangrai, CentralPlaza Suratthani, and CentralPlaza Lampang	700,000,000	99.99%
23 CPN Global Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Real Estate Developer and Holding Company	1,000,000	99.94%
24 CPN City Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Real Estate Developer	2,863,485,000	99.99% (Held by Central World Co., Ltd.)
25 CPN Complex Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Real Estate Developer	2,341,600,000	99.99% (Held by Central World Co., Ltd.)
26 CPN Learning Center Co., Ltd 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Human Capital Management	1,000,000	99.96%
27 CPN Rayong Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Shopping Center : CentralPlaza Rayong	1,000,000,000	99.99%

Company	Nature of Business	Registered Capital (THB)	Percentage of Shareholding
28 CPN Korat Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Real Estate Developer	1,000,000,000	99.99%
29 CPN Residence Khon Kaen Co.,Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Residential Developer ESCENT Khonkaen	200,000,000	99.99%
30 C.S. City Co., Ltd. 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Real Estate Developer	500,000,000	99.99% (Held by Central Pattana Realty Co., Ltd.)
31 CPN Estate Co., Ltd. ⁴⁾ 999/9 Rama I Rd., Patumwan, BKK.10330 Tel +66 (0) 2667 5555	Real Estate Developer	1,000,000	99.94%
32 Global Retail Development & Investment Limited 30/F Jardine House One Connaught Place Central, Hong Kong	Real Estate Developer	HKD10,000	99.94% (Held by CPN Global Co., Ltd.)
33 Global Commercial Property Limited 30/F Jardine House One Connaught Place Central, Hong Kong	Real Estate Developer	HKD10,000	99.94% (Held by Global Retail Development & Investment Limited)
34 CPN Ventures Sdn. Bhd. Unit 30 - 01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Real estate management consulting and corporate services	MYR5,000,000	99.94% (Held by CPN Global Co., Ltd.)
35 CPN Real Estate Sdn. Bhd. Unit 30 - 01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	99.94% (Held by CPN Ventures Sdn. Bhd.)
36 CPN Malls Malaysia Sdn. Bhd. Unit 30 - 01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	99.94% (Held by CPN Ventures Sdn. Bhd.)

Company	Nature of Business	Registered Capital (THB)	Percentage of Shareholding
37 Central Plaza i-City Malls Malaysia Sdn. Bhd. Unit 30 - 01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	99.94% (Held by CPN Malls Malaysia Sdn. Bhd. and CPN Real Estate Sdn. Bhd.)
38 Central Plaza i-City Sdn. Bhd. Unit 30 - 01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Holding Company	MYR400,000	99.94% (Held by Central Plaza i-City Malls Malaysia Sdn. Bhd.)
39 Central Plaza i-City Real Estate Sdn. Bhd. Unit 30 - 01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Real Estate Developer	MYR458,000,000	59.97% (Held by CPN Global Co., Ltd. and Central Pattana Realty Co., Ltd.)

- Notes
- ¹⁾ Registered the dissolution of Central Realty Services Co., Ltd. of which businesses were transferred to Central Pattana Realty Co., Ltd. on October 12, 2016. The current status is on liquidation process.
 - ²⁾ Langsuan Realty Co., Ltd. was changed its name to Central Pattana Realty Co., Ltd., on June 22, 2016.
 - ³⁾ Only proportion unitholder of owner type except unit holders of lender type.
 - ⁴⁾ CPN Estate Co., Ltd. was established on June 6, 2016.

LIST OF COMMITTEE IN SUBSIDIARIES

		Central Pattana Plc.	Central Pattana Realty Co., Ltd. ¹⁾	Central Food Avenue Co., Ltd.	Central World Co., Ltd.	Central Pattana Realty Co., Ltd. ²⁾	Central Pattana Rattanathibet Co., Ltd.	Bangna Central Property Co., Ltd.	Central Pattana Rama 3 Co., Ltd.	Central Pattana Rama 2 Co., Ltd.	Central Pattana Chiangmai Co., Ltd.	Central Pattana Chonburi Co., Ltd.	Central Pattana Khon Kaen Co., Ltd.	CPN Pattaya Co., Ltd.	Central Pattana Nine Square Co., Ltd.	CPN Residence Co., Ltd.	Central Pattana Development Co., Ltd.	CPN Global Co., Ltd.	CPN City Co., Ltd.	CPN Complex Co., Ltd.	CPN Learning Center Co., Ltd.	CPN Rayong Co., Ltd.	CPN Korat Co., Ltd.	CPN Residence Khon Kaen Co., Ltd.	C.S. City Co., Ltd. ³⁾	CPN Estate Co., Ltd.	Global Retail Development & Investment Limited	Global Commercial Property Limited	CPN Ventures Sdn. Bhd.	CPN Real Estate Sdn. Bhd.	CPN Malls Malaysia Sdn. Bhd.	Central Plaza i-City Malls Malaysia Sdn. Bhd.	Central Plaza i-City Sdn. Bhd.	Central Plaza i-City Real Estate Sdn. Bhd.
1	Mr. Suthichai Chirathivat	•					•																											
2	Mr. Sudhitham Chirathivat	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•				•	•	•			
3	Mr. Suthikiati Chirathivat	•																																
4	Mr. Suthichart Chirathivat	•																																
5	Mr. Kobchai Chirathivat	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
6	Mr. Prin Chirathivat	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
7	Mr. Preecha Ekkunagul	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
8	Mr. Sudhisak Chirathivat	•																																
9	Mr. Paitoon Taveebhol	•																																
10	Mrs. Jotika Savanananda	•																																
11	Mr. Veravat Chutichetpong	•																																
12	Mr. Karun Kittisataporn	•																																
13	Mr. Suthiphand Chirathivat			•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
14	Mr. Suthipak Chirathivat		•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
15	Ms. Wallaya Chirathivat			•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
16	Mrs. Narttaya Chirathivat																																	
17	Mr. Suthilaksh Chirathivat																																	
18	Mr. Yotin Booddicharenn																																	
19	Mr. Jatesiri Booddicharenn																																	
20	Mr. Premchai Karnasuta																																	
21	Mr. Thaveepol Kongseri																																	
22	Mr. Jarern Jirawisan																																	
23	Mr. Peerapon Pattanapeeradej																																	
24	Mr. Noppadon Pattanapeeradej																																	
25	Mr. Chanavat Uahwatanasakul																																	
26	Mr. Isareit Chirathivat																																	
27	Flt.Lt. Kree Dejchai																																	
28	Mr. Kunayudh Dej-udom																																	
29	Ms. Puan Sri Tey Siew Thuan																																	
30	Mr. Soon Thien Suan																																	
31	Ms. Leong Wai Yin																																	
32	Mr. Razali Bin Abdul Rashid																																	

Notes ¹⁾ Registered the dissolution of Central Realty Services Co.,Ltd. of which businesses were transferred to Central Pattana Realty Co., Ltd. on October 12, 2016. The current status is on liquidation process.

²⁾ Langsuan Realty Co., Ltd. was changed its name to Central Pattana Realty Co., Ltd., on June 22, 2016.

³⁾ CPN Estate Co., Ltd. was established on June 6, 2016.

EXISTING PROJECTS MANAGED BY CPN

1

CentralPlaza Lardprao

Address : 1693 Phaholyothin Road, Chatuchak, Chatuchak, Bangkok 10900

Tel : + 66 (0) 2793 6000 Fax : + 66 (0) 2541 1341

2

CentralPlaza Ramindra

Address : 109/10 Ramindra Road, Bangkhen, Bangkok 10220

Tel : + 66 (0) 2790 3000 Fax : + 66 (0) 2552 5513

3

CentralPlaza Pinklao

Address : 7/222 Baromrachachonnane Road, Arunamarin, Bangkoknoi, Bangkok 10700

Tel : + 66 (0) 2877 5000 Fax : + 66 (0) 2884 8486

4

CentralMarina (Formerly known as Central Center Pattaya)

Address : 78/54 Moo 9, Pattaya Sai 2 Road, Banglamung, Chonburi 20260

Tel : + 66 (0) 3300 3888 Fax : + 66 (0) 3300 3888 ext.1225-6

5

CentralPlaza Chiangmai Airport

Address : 2 Mahidol Road, 252-252/1 Wulai Road, Haiya, Muang Chiangmai, Chiangmai 50100

Tel : + 66 (0) 5399 9199 Fax : + 66 (0) 5399 9122-3

6

CentralPlaza Rama 3

Address : 79 Sathupradit Road, Chongnonsee, Yannawa, Bangkok 10120

Tel : + 66 (0) 2649 6000 Fax : + 66 (0) 2673 6009

7

CentralPlaza Bangna

Address : 587, 589 Bangna-Trad (KM.3) Road, Bangna, Bangkok 10260

Tel : + 66 (0) 2763 6000 Fax : + 66 (0) 2399 5777

8

CentralPlaza Rama 2

Address : 160 Rama 2 Road, Samaedum, Bangkhuntian, Bangkok 10150

Tel : + 66 (0) 2866 4300 Fax : + 66 (0) 2872 4560

9

CentralWorld

Address : 4, 4/1-4/2, 4/4 Rajdamri Road, Patumwan, Bangkok 10330

Tel : + 66 (0) 2640 7000 Fax : + 66 (0) 2255 9767

10

CentralPlaza Rattanathibet

Address : 68/100, 68/919 Moo 8, Rattanathibet Road, Bangkrasor, Muang Nonthaburi, Nonthaburi 11000

Tel : + 66 (0) 2103 5777 Fax : + 66 (0) 2526 6092

- 11** **CentralPlaza Chaengwattana**
Address : 99, 99/9 Moo 2, Chaengwattana Road, Bangtarad, Pak Kret, Nonthaburi 11120
Tel : + 66 (0) 2101 0000 Fax : + 66 (0) 2101 1343
- 12** **CentralFestival Pattaya Beach**
Address : 333/99 Moo 9, Banglamung, Chonburi 20260
Tel : +66 (0) 3300 3999 Fax : + 66 (0) 3300 3999 ext.1225-6
- 13** **CentralPlaza Udonthani**
Address : 277/1-3, 271/5 Prajaksillapakhom Road, Markkeang, Muang Udonthani, Udonthani 41000
Tel : + 66 (0) 4224 9192 Fax : + 66 (0) 4224 4639
- 14** **CentralPlaza Chonburi**
Address : 55/88-89, 55/91 Moo 1, Sa-Med, Muang Chonburi, Chonburi 20000
Tel : + 66 (0) 3300 3333 Fax : + 66 (0) 3300 3179
- 15** **CentralPlaza Khonkaen**
Address : 99, 99/1 Srichan Road, Naimuang, Muang Khonkaen, Khonkaen 40000
Tel : + 66 (0) 4300 1000 Fax : + 66 (0) 4300 1209
- 16** **CentralPlaza Chiangrai**
Address : 99/9 Moo 13, Robwiang, Muang District, Chiangrai 57000
Tel : + 66 (0) 5202 0999 Fax : + 66 (0) 5202 0900
- 17** **CentralPlaza Phitsanulok**
Address : 9/99 Moo 5 Plaichomphon, Muang Phitsanulok, Phitsanulok 65000
Tel : + 66 (0) 5500 0999 Fax : + 66 (0) 5500 0990
- 18** **CentralPlaza Grand Rama 9**
Address : 9/9 Rama 9 Road, Huai Khwang, Bangkok 10320
Tel : + 66 (0) 2103 5999 Fax : + 66 (0) 2103 5990
- 19** **CentralPlaza Suratthani**
Address : 88 Moo 10, Watpradu, Muang Suratthani, Suratthani 84000
Tel : + 66 (0) 7796 3555 Fax : + 66 (0) 7796 3599
- 20** **CentralPlaza Lampang**
Address : 319 Highway Lampang-Ngao Road, Suandok, Muang Lampang, Lampang 52100
Tel : + 66 (0) 5401 0555 Fax : + 66 (0) 5401 0599

- 21** **CentralPlaza Ubonratchathani**
Address : 311 Moo 7 Chae Ra Mae, Muang Ubonratchathani, Ubonratchathani 34000
Tel : + 66 (0) 4595 0699 Fax : + 66 (0) 4595 0600
- 22** **CentralFestival Chiangmai**
Address : 99, 99/1, 99/2 Moo 4 Superhighway Road, Fa Ham, Muang Chiangmai, Chiangmai 50000
Tel : + 66 (0) 5399 8999 Fax : + 66 (0) 5200 1700
- 23** **CentralFestival Hatyai**
Address : 1518, 1518/1, 1518/2 Kanchanavanid Road, Hatyai, Hatyai, Songkhla 90110
Tel : + 66 (0) 7480 1555 Fax : + 66 (0) 7480 1599
- 24** **CentralFestival Samui**
Address : 209, 209/1-209/2 Moo 2, Borpud, Samui, Suratthani 84320
Tel : + 66 (0) 7796 2777 Fax : + 66 (0) 7796 2799
- 25** **CentralPlaza Salaya**
Address : 99/19, 99/20 Moo 2, Bangtoey, Sampran, Nakornpatom 73210
Tel : + 66 (0) 3410 0888 Fax : + 66 (0) 3410 0899
- 26** **CentralPlaza Rayong**
Address : 99,99/1 Bangna-Trad Road, Chengneun, Muang Rayong, Rayong 21000
Tel : + 66 (0) 3301 3333 Fax : + 66 (0) 3301 3300
- 27** **CentralFestival Phuket**
Address : 74, 75 Wichitsongkran Road, Phuket City, 83000
Tel : + 66 (0) 7629 1111 Fax : + 66 (0) 7629 4000
- 28** **CentralPlaza WestGate**
Address : 199,199/1, 199/2 Moo 6, Soa Thong Hin, Bang Yai, Nonthaburi 11140
Tel : + 66 (0) 2102 7999 Fax : + 66 (0) 2102 7900
- 29** **CentralFestival EastVille**
Address : 69, 69/1, 69/2 Praditmanutham Road, Ladprao, Bangkok 10230
Tel : + 66 (0) 2102 5000 Fax : + 66 (0) 2102 5099
- 30** **CentralPlaza Nakhon Si Thammarat**
Address : 8, 9/8 Moo 7, Nasan, Phraphrom, Nakhon Si Thammarat 80000
Tel : + 66 (0) 7580 3333 Fax : + 66 (0) 7580 3399

REFERENCE FIRMS

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Ratchadapisek Road, Dindaeng,
Bangkok 10400, Thailand
Telephone : + 66 (0) 2009 9999
Facsimile : + 66 (0) 2009 9991

REGISTRAR OF UNSECURED DEBENTURES

Debentures CPN176A, CPN172A, and CPN19NA

CIMB Thai Bank Public Company Limited
44 Langsuan Road, Lumpini Sub-District, Pathumwan
Bangkok 10330, Thailand
Telephone : + 66 (0) 2626 7503
Facsimile : + 66 (0) 2626 7542

Debentures CPN180A, CPN210A, and CPN171A

Siam Commercial Bank Public Company Limited
9 Ratchadapisek Road, Chatuchak
Bangkok 10900, Thailand
Telephone : + 66 (0) 2256 2323-8
Facsimile : + 66 (0) 2256 2406

Debentures CPN174A, CPN221A, CPN188A, CPN208A, CPN228A, CPN20DA, CPN21DA, and CPN22DA

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1222 Rama 3 Road, Bang Phongphang, Yannawa,
Bangkok 10120, Thailand
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Bangkok 10500, Thailand
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Facsimile : + 66 (0) 2231 3012

INFORMATION FOR INVESTORS

CENTRAL PATTANA PUBLIC COMPANY LIMITED

Registered Capital: THB 2,244,000,000
 Issued and Paid-up Capital: THB 2,244,000,000
 Comprising ordinary shares of 4,488,000,000 shares
 Par Value of THB 0.5 per share

SECURITIES INFORMATION

Common shares of Central Pattana Public Company Limited were listed and traded on the Stock Exchange of Thailand with “CPN” as the abbreviated Security Name.

SHAREHOLDERS’ MEETING

The Board of Directors of Central Pattana Public Company Limited agreed to hold the Annual General Meeting of Shareholders (“AGM”) 2017 on 24th April 2017, at 2.00 pm at World Ball Room 23rd Floor, Centara Grand and Bangkok Convention Centre at CentralWorld, 999/99 Rama I Road, Patumwan Sub-District, Patumwan District, Bangkok 10330, Thailand.

INVESTOR RELATIONS

Central Pattana Public Company Limited
 31st Floor, the Offices at CentralWorld,
 999/9 Rama I Road, Patumwan Sub-District, Patumwan District,
 Bangkok 10330, Thailand

Telephone : +66 (0) 2667 5555 ext. 1632, 1688, 1689
 E-mail : ir@cpn.co.th
 Website : www.cpn.co.th

DIVIDEND POLICY

CPN has a policy to pay dividend at a rate of approximately 40 percent of the annual net profit (unless there is a compelling reason against this).

Share prices and dividend payments for the past five years (2012-2016)

Unit: THB/Share

Year	Highest Price	Lowest Price	Dividend payment
2012	81.75	37.75	0.95
2013	57.25 ^{/1}	36.00 ^{/1}	0.55
2014	49.50 ^{/1}	37.00 ^{/1}	0.65
2015	49.25 ^{/1}	39.75 ^{/1}	0.70
2016	61.75 ^{/1}	43.00 ^{/1}	0.83 ^{/2}

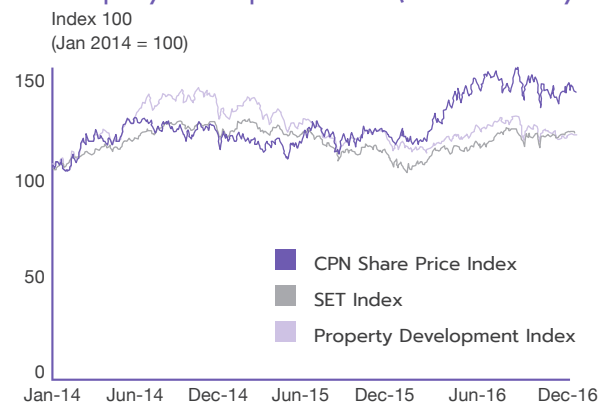
Remark: ^{/1} At par value of THB 0.5 per share (par value has been changed from THB 1 per share, effective as of 7th May 2013)

^{/2} Subject to AGM approval

Movements of CPN Share Price against SET Index and Property Development Index

Increase of share price index	1 year	3 years
CPN Share Price Index	25%	51%
SET Index	22%	25%
Property Development Index	7%	24%

3-year Comparison of CPN Share Price Index, SET Index, and Property Development Index (2014 as base-year)



Source: The Stock Exchange of Thailand (SET)

Investor Relations Activities for 2016

Date	Events
28 Jan	CEO Forum with local fund managers and analysts at The Offices@CentralWorld, organized by Central Pattana Plc.
4-5 Feb	Non-deal roadshow in Singapore, organized by Bualuang Securities
3-4 Mar	Non-deal roadshow in Hong Kong, organized by CLSA Securities (Thailand)
29 - 30 Mar	Non-deal roadshow in Japan, organized by Krungsri Securities
24-25 May	7 th Annual dbAccess Asia Conference in Singapore, organized by Deutsche TISCO Investment Advisory
26-27 May	Non-deal roadshow in Malaysia, organized by CIMB Securities (Thailand)
14-15 Jul	Non-deal roadshow in Hong Kong, organized by DBS Vickers Securities (Thailand)
18-21 Jul	"SET US Roadshow: Thailand Conference 2016", organized by The Stock Exchange of Thailand and Maybank Kim Eng Securities (Thailand) Plc.
24 Aug	Analyst Briefing for second quarter performance at The Offices@CentralWorld, organized by Central Pattana Plc.
1 Sep	Thailand Focus 2016 Conference with foreign institutions in Bangkok, organized by Phatra Securities in cooperation with Bank of America Merrill Lynch
12-14 Oct	Non-deal roadshow in Denmark and UK, organized by CLSA Securities (Thailand)
18 Nov	Analyst Briefing for the third quarter performance at The Offices@CentralWorld, organized by Central Pattana Plc.

Financial Calendar for 2017

Financial Calendar	2017 (Tentative)
Announcement of full year financial results (prior year)	28 February
The closing date of the shareholders registration book for the rights to attend the AGM	15 March
Analyst Meeting for full year performance organized by Central Pattana Plc.	3 March
Analyst Meeting for full year performance (prior year) (Opportunity Day) organized by The Stock Exchange of Thailand	8 March
The Annual General Meeting of the Shareholders	24 April
Dividend payment for prior year performance	19 May
Announcement of first quarter financial results	May
Analyst Meeting for first quarter performance organized by Central Pattana Plc.	May
Analyst Meeting for first quarter performance (Opportunity Day) organized by The Stock Exchange of Thailand	May
Announcement of second quarter financial results	August
Analyst Meeting for second quarter performance organized by Central Pattana Plc.	August
Analyst Meeting for second quarter performance (Opportunity Day) organized by The Stock Exchange of Thailand	August
Announcement of third quarter financial results	November
Analyst Meeting for third quarter performance organized by Central Pattana Plc.	November
Analyst Meeting for third quarter performance (Opportunity Day) organized by The Stock Exchange of Thailand	November

GRI INDEX

GRI Content Index for 'In accordance' – Core

GRI Indicator	Description	Page Reference and Remarks
General standard disclosure		
Strategy and Analysis		
G4-1	Statement from senior decision-maker	18
G4-2	Description of key impacts, risks, and opportunities	26-27, 120-125
Organization Profile		
G4-3	Organization's name	Inside cover
G4-4	Primary brands, products, and services	42-44
G4-5	Location of the organization's headquarters	Inside cover, 302
G4-6	Countries of operation	Inside cover
G4-7	Nature of ownership and legal form	46-48, 271-275
G4-8	Markets served	46-48
G4-9	Scale of the organization	14-15, 46-51
G4-10	Workforce figures	98-99
G4-11	Percentage of total employees covered by collective bargaining agreements	97
G4-12	Organization's supply chain	113
G4-13	Significant changes during the reporting period	18-21, 118
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	104-112, 120-125
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes	28-29, 34-37, 65-66, 91, 106-107, 115, 118, 139
G4-16	Memberships of associations and national or international advocacy organizations	34-37, 141-144

GRI Indicator	Description	Page Reference and Remarks
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G4-21	Aspect boundary outside the organization	118
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G4-23	Significant changes from previous reports in the scope and aspect boundaries	118
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G4-25	Identification and selection of stakeholders	66, 69, 141-144
G4-26	Approaches to stakeholder engagement	66-69, 71, 88-97, 100-115
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Report Profiles		
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G4-29	Date of previous report	
G4-30	Reporting cycle	
G4-31	Contact point	
G4-32	GRI Content Index	
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G4-34	Governance structure, delegation, responsibility and composition	65-66, 126-127, 135
G4-35		
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G4-39		

GRI Indicator	Description	Page Reference and Remarks
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G4-56	Organization's values, principles, standards and norms of behavior	62-139
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G4-58	Internal and external mechanism for reporting concern about unethical or unlawful behavior	145

GRI Indicator	Description		Page Reference and Remarks
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Economic Performance	G4-DMA	Generic Disclosures on Management Approach	42-44, 145-147
	G4-EC1	Direct economic value generated and distributed	73-82
	G4-EC2	Financial implications and other risks and opportunities for the organization’s activities due to climate change	262
	G4-EC3	Coverage of the organization’s defined benefit plan obligations	266
Market Presence	G4-EC6	Proportion of hired from the local community	97-99
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	G4-EN5	Energy intensity	
	G4-EN6	Reduction of energy consumption	
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Water	G4-EN8	Total water consumption	108-109, 111
	G4-EN9	Water sources significantly affected by withdrawal of water	
	G4-EN10	Total volume of water recycled and reused	
	CRE2	Building water intensity	

GRI Indicator	Description		Page Reference and Remarks
Biodiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas	110
	G4-EN12	Biodiversity in protected areas	
	G4-EN13	Habitats protected or restored	
Emissions	G4-EN15	Direct greenhouse gas (GHG) emission (Scope 1)	106-108, 111
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	
	G4-EN18	Greenhouse gas (GHG) emissions intensity	
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	
	G4-EN20	Emissions of ozone-depleting substances (ODS)	No use of ozone-depleting substances
	G4-EN21	NOX, SOX, and other significant air emissions	Calculated as CO ₂ equivalent
	CRE3	Greenhouse gas emission intensity from building	108
Effluents and Waste	G4-EN22	Total water discharge by quality and destination	109
	G4-EN23	Total weight of waste by type and disposal method	
	G4-EN24	Total number and volume of significant spills	No significant spill of oil, fuel, waste and chemicals
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII	No waste under the terms of the Basel Convention Annex I, II, III, and VIII.
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	No sites located nearby identity, size, protected status and biodiversity value of water bodies.
Compliance	G4-EN29	Fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	None

GRI Indicator		Description	Page Reference and Remarks
Supplier Environmental Assessment	G4-DMA	Generic Disclosures on Management Approach	113-115
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	116
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	116
Social			
Employment	G4-DMA	Generic Disclosures on Management Approach	93-95
	G4-LA1	Total number and rates of new employee hires and employee turnover	96-98
	G4-LA2	Benefits provided to full-time employees	94-97
Occupational Health and Safety	G4-LA5	Workforce in formal joint management-worker health and safety	65
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	116
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	Not applicable as no employee join any trade unions
Training and Education	G4-LA9	Average hours of training	95
	G4-LA10	Skills management and lifelong learning	96
	G4-LA11	Performance and career development reviews	97
Diversity and equal Opportunity	G4-LA12	Breakdown of employees per employee category according to indicators of diversity	98-99
Supplier Assessment for Labor Practices	G4-DMA	Generic Disclosures on Management Approach	113-115
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	115-117
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	115-117
Labor Practices Grievance Mechanisms	G4-LA16	Grievances about labor practices	145
Human Right	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All agreements are in compliance with CPN Code of Conduct

GRI Indicator		Description	Page Reference and Remarks
Non-Discrimination	G4-HR3	Incidents and actions taken	None
Freedom of Association	G4-HR4	The right to exercise freedom of association	96-97
Child Labor	G4-HR5	Child labor, and measures taken to contribute to the effective abolition of child labor	115-117
Forces or Compulsory Labor	G4-HR6	Incidents of forced or compulsory labor	None
Indigenous Rights	G4-HR8	Incidents of violations involving rights of indigenous peoples and actions taken	None
Supplier Human Rights Assessment	G4-DMA	Generic Disclosures on Management Approach	113-115
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	116
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	116
Human Rights Grievance Mechanisms	G4-HR12	Grievances about human rights impacts filed	None
Local Communities	G4-DMA	Generic Disclosures on Management Approach	100-101
	G4-SO1	Operations with local community engagement	101-103
	G4-SO2	Operations with negative impacts on local communities	101-103
Anti-Corruption	G4-SO3	Risk assessment on corruption	123
	G4-SO4	Communication and training on anti-corruption	123, 144-145
	G4-SO5	Incidents of corruption and actions taken	None
Public Policy	G4-SO6	Political contributions	Not applicable as the Company does not extend political donations
Compliance	G4-SO8	Fines and non-monetary sanctions for non-compliance with laws and regulations	None
Grievance Mechanisms for Impacts on Society	G4-SO11	Grievances about impacts on society filed, addressed, and resolved	None

GRI Indicator		Description	Page Reference and Remarks
Customer Health and Safety	G4-DMA	Generic Disclosures on Management Approach	88-89, 91-92
	G4-PR1	Health and safety impacts assessment	91-92, 115-117,123
	G4-PR2	Incidents of non-compliance	None
	G4-PR4	Incidents of non-compliance with regulations and voluntary codes	None
Product and Service Labeling	G4-PR5	Results of surveys measuring customer satisfaction	84-92
Marketing Communication	G4-PR6	Sale of banned or disputed products	89-92
	G4-PR7	Incidents of non-compliance	None
Customer Privacy	G4-PR8	Complaints regarding breaches of customer privacy and losses of customer data	None
Compliance	G4-PR9	Fines for non-compliance	None

United Nations Global Compact Principles

Principles		Page
Human rights	Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights	144
	Principle 2: Business should make sure that they are not complicit in human rights abuses	144
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	94-97
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	Principle 5: The effective abolition of child labor	115-117, 144
	Principle 6: The elimination of discrimination in respect of employment and occupation	94-97
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	104-116
	Principle 8: Undertake initiatives to promote greater environmental responsibility	104-116
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies	106-116
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	144-145



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A Member of Central Group

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