

CENTRAL PATTANA

Annual Report 2020
(56-1 One Report)

Summary of Specified Items per Form 56-1 One Report

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CENTRALPATTANA

40 Years
Strong&
Beyond
40 Years
Strong&
Beyond

40 Years

Strong and Beyond

We've come a long way ...

From the first retail project to 34 successful mixed-use projects recognized domestically and globally

From a handful of staff to more than 5,000 high-caliber employees

From trial and error to adaptation to challenges and pursuit of innovations for sustainable growth

From fight for mutual success with business partners to establishment of new businesses catering to the New Normal lifestyle

From the position as the Center of Life to delivery of customer-oriented values and society, community and environmental stewardship

These speak volumes for Central Pattana's 40-year commitment to creating a better future for all. Despite challenging changes ahead, many opportunities and success are still within reach if we work together in creating great things for everyone's brighter and more sustainable future.

Positivity.



Our driving thought
Imagining
better futures for all

Our
belief

1



Positivity

Amid the looming COVID-19 around the world, Central Pattana has turned the crisis into an opportunity by proactively adjusting strategies to ensure business recovery and growth. We will grow through new mixed-use projects, such as Central Ayutthaya, Central Si Racha and Central Chanthaburi. We also joined forces with

business partners to reinforce our strengths. Furthermore, we renovated shopping centers, office buildings and hotels while developing residential projects in prime locations across the country to deliver the best customer experience today and always.

Our
belief

2



Dynamism

Striving for relentless business growth, Central Pattana adjusted strategies in response to challenges in the New Normal. We not only adopted innovations to enhance management efficiency but also created new business models, such as partnering with Grab to offer food delivery services through Central Eats, linking business between online and offline channels. We also carved opportunities based on new consumer demands for change in shopping

behavior. Moreover, we developed residential projects in better locations and turned a house into more than just a home. We also created workspace that served the new generation's work styles, such as Common Ground. We introduced new technologies and innovations to deliver new experience and continue to provide excellent service. Furthermore, we kept pursuing opportunities to expand investment in new businesses and forge long-term growth.

Dynamism.



Our driving thought
Imagining
better futures for all

Customer Champions.



Our driving thought
Imagining
better futures for all

Our
belief

3



Customer Champions

In the New Normal, people travel with greater caution to shopping centers or projects under our management. In addition, competition and consumer demand have become more complex and dynamic. We therefore take seriously value creation to seamlessly meet consumers' needs. We also initiated a master plan on a safety and cleanliness measure called "Central Hygiene and Safety Master Plan" to minimize the spread of COVID-19 in all projects and ensure the safety

of employees, customers, retailers and tenants. Furthermore, we came up with new business models such as Chat & Shop, a product-ordering channel on Facebook and LINE, to faster and better respond to customers' needs, including the Virtual Showrooms application where customers can conveniently browse model projects. We are convinced that customers' needs are the best inspiration for our continuous development, resulting in our leadership in the business.

Our
belief

4



Community at Heart

Convinced that “the key to sustainable growth is to raise the quality of society, community and the environment all together,” in 2020, we took the lead in supporting micro-business and small entrepreneurs, retailers and tenants as well as aiding society. We offered space to farmers affected by the crisis to sell their products and earn extra income. Furthermore, we joined partners in regularly donating equipment to support medical personnel and cooperated with the government to curb the outbreaks by allowing office employees to work from home. For those who still work in offices, we

provided additional hygiene measures to ensure their safety. Central Pattana fosters environmental consciousness among employees to optimize natural resource consumption, such as saving electricity and water, promoting waste sorting, and avoiding the use of resources that pose environmental impacts.

These are only a fraction of our commitment to improving the quality of life for people in society and communities and raising the quality of the environment so that we may grow together and jointly create a better future.

Community at Heart.



Our driving thought
Imagining
better futures for all

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Chapter

01

Vision and Mission

PURPOSE “Imagining Better Futures for All”

BELIEFS by four desired behaviors

1. **Positivity:** We focus on progress and are always optimistic about the future. We truly believe in the power of our expertise to create a better quality of life for everyone. We cherish meaningful relationships, and celebrate them everyday.
2. **Dynamism:** We lead the way with innovation to improve the world around us and prepare the future. We are pioneering and engaging, empathetic to the needs of others. Providing better opportunities to work, meet, learn and enjoy life with loved ones.
3. **Customer Champions:** Our customers are our sources of inspiration for everything we do, we are captivated by them and their world. We champion our customers and always go beyond their expectations. We push ourselves to deliver excellence for them today and in the future.
4. **Community at Heart:** We thrive by learning, exploring and collaborating together. We bring people together from all around the world to co-create solutions to challenging questions, joining forces to innovate and evolve the way we live.

VISION “To be a leading regional developer pioneering a better and more sustainable future for all”

MISSION In order to achieve our vision, we are guided by and committed to five key strategic areas:

Center of Life

Our mission is to create spaces that are at the centre of people's lives, for better quality of life and living.

01 Co-Creation

We deliver greatest value to our customers when we co-create in partnership with our tenants and business partners.

03

Regional Expansion

We continue to instill the pioneering spirit that is at the heart of our DNA, bringing the best of Thailand to the region and the world, and vice versa.

02 Sustainable

We are committed to creating long term value for all stakeholders. We believe in growing sustainably and doing good for the Environment, People, the Community and for Business.

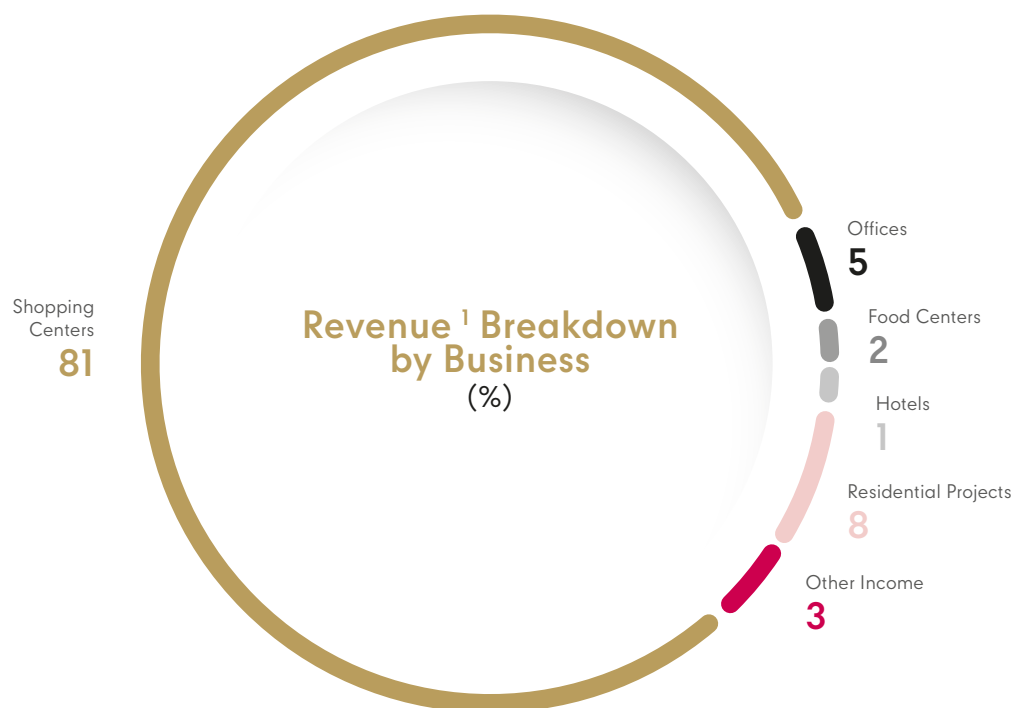
04

Empowered People

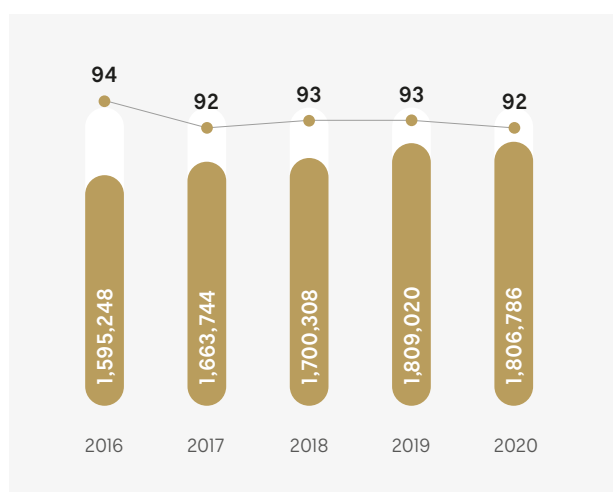
Our people are our greatest strength and we believe in empowering people to realize their full potential.

05

Financial Highlights

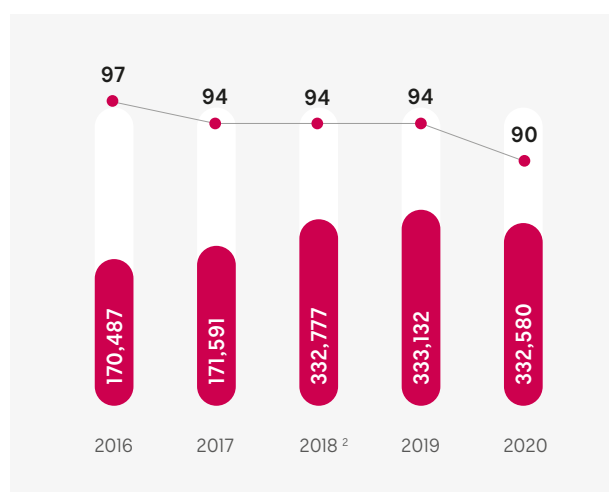


Shopping Centers



■ Retail Leasable Area (sq.m.) ● Occupancy Rate (%)

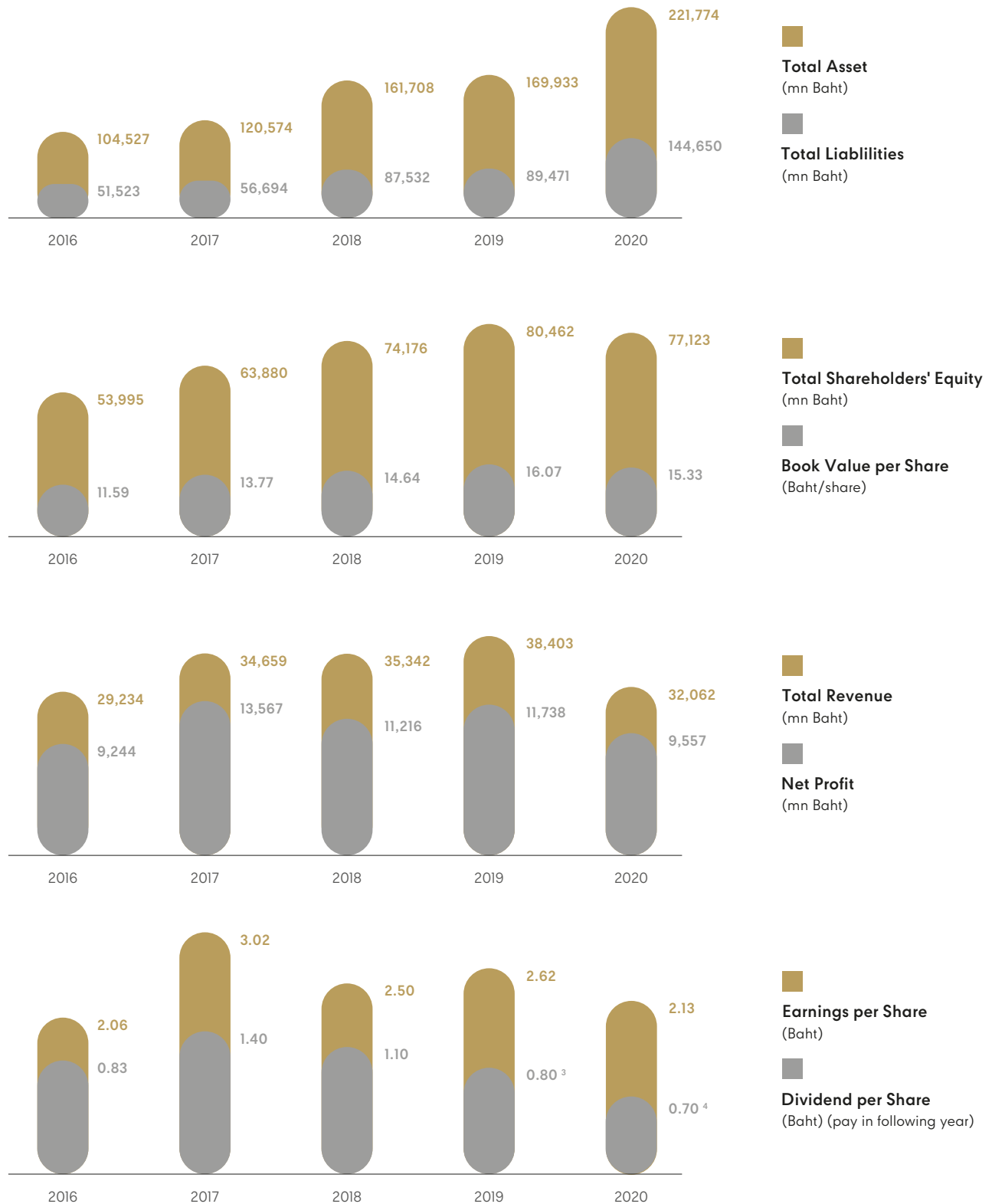
Offices



■ Office Leasable Area (sq.m.) ● Occupancy Rate (%)

Remarks: ¹ Excludes interest income, dividend income, share of profit from associates, impact from TFRS16, and non-recurring income

² Includes office area from GLAND following its business acquisition in 2018



Remarks: ³ Paid as interim dividend; lowered from original proposal at Baht 1.30 per share due to COVID-19 impact mitigation.

⁴ Subject to AGM 2021 approval

Chapter

03

Message from the
Board of Directors

Message from the Board of Directors

To the Shareholders

The year 2020 posed one of the greatest challenges for Central Pattana in more than 40 years of business operations, let alone one of the most pivotal events for humankind in the shape of Coronavirus disease (COVID-19) pandemic. The event brought about significant impact not only to the Thai economy but also the global economies and in many industries. Most importantly, it has induced unprecedented changes to the way we live in the age of “New Normal”, such as the emergence of work from home, the increased popularity of food delivery services, and the prevalence of activities through online and digital platforms. Even though these observations accelerated the changes in customer behaviors, the Company believes that, ultimately, the quintessence of the “Center of Life” to deliver new experiences and the ability to better serve customers through new concepts and channels of services are the key foundations to the success of its businesses. Together with prudent management of its business and financial performances to counterbalance the rapidly changing situation, as well as advances in the development of new projects, the Company is determined to deliver sustainable growth and return in the long-term and pave better futures for its stakeholders, societies, communities and the nation.

During the critical periods of the COVID-19 pandemic, which the government declared nationwide lockdown measures that affected multitudes of businesses, including the Company's core business that involved 34 shopping centers in domestic and international locations to temporarily close down during March - May 2020 for a duration of 45-56 days, the Company's top priority is to **immediately and holistically support all of its stakeholders** to alleviate the impact of the crisis, both during the difficult periods and the recovery during the second half of the year. Hence, the Company established and executed policies to support each of the stakeholder groups as follow:

Customers

As the leader of the shopping center business in Thailand, Central Pattana pioneered the “Central Hygiene and Safety” master plan to govern the safety and cleanliness in the shopping centers. The plan produced more than 75 measures, ranging from screening processes, social distancing measures and deep cleaning in every touchpoint, and serves as a benchmark for other operators in the industry and altogether instill confidence for customers to visit the shopping centers. Furthermore, customer service experiences are enhanced in terms of speed, assortment and convenience, through extended and digitalized channels, such as Chat & Shop, One-Call One-Click and Pick-up Drive-Thru, as well as through the CentralLife LINE Official Account, the Company's proprietary digital customer platform, Central Eats, an exclusive food delivery platform jointly collaborated with Grab, and new in-mall experiences under the new normal lifestyle, such as cashless payment and

touchless features. Additionally, the Company introduced new features, such as virtual tour, through website and mobile application for our residential customers. The Company is determined to remain its position as the Center of Life to customers and continue to deliver new and exciting experiences today and into the future.

Tenants and Communities

The COVID-19 pandemic instigated many businesses and retailers to experience decline in or absence of income whilst endure certain cost burden, such as wages and other essential business expenditure. Realizing the extent of impact to one of its key stakeholders, the Company immediately stepped in to alleviate some of the burden of more than 15,000 tenants, business owners and business partners through a wide range of relief measures, including rental discounts and waivers at appropriate levels and accordingly with the changing circumstances. Furthermore, the Company facilitated additional services, such as take-away and delivery, collaborated with tenants to launch marketing campaigns and activities, through both in-mall spaces and the Company's online platform, to accommodate conveniences to the tenants and help them attract new customer target groups to maximize their sales performance. Additionally, the Company allocates part of the shopping center area to help farmers, small local businesses, and people whose occupations were affected by the pandemic, to distribute products and services directly to customers at various locations as a mean to distribute income to local communities and maintain a healthy standard of living amidst the COVID-19 crisis.

Employees

With over 5,000 lives in the organization, our employees are the most important resources to the Company. First and foremost, the Company did not reduce the headcount of permanent employees and their basic compensation. Holding regards for the safety and well-being of its employees, the Company employed organization-wide health and safety protocols, supported its employees with additional insurance coverage, closely tracked health records, provided flexible work schedules between home and offices to facilitate safe work environment and business continuity. More importantly, the Company advocated its employees to explore ways to improve their skills and work processes that promotes productivity and efficiencies, such as online conferencing, automation technologies, and organizational structure optimization to suit business requirements. Hence, these efforts will not only lower business expenditures but also accommodate organizational resiliency in a rapidly changing business environment.

Shareholders and Investors

Although the Company's financial performance was considerably affected by the COVID-19 situation as it did to other companies in the same industry, the Company maintained returns at solid levels both in the short-term and long-term. In 2020, the Company reported total revenue at Baht 32,062 mn and net profit at Baht 9,557 mn, a decline of 17% and 19% respectively from the previous year. Notwithstanding the impact of the new financial reporting standard and the recognition of non-recurring income resulted from the leasehold extension of Central Rama 2 with CPN Retail Growth Leasehold REIT (CPNREIT), the performance went according to the Company's plan, particularly from the cost saving initiatives and capital and liquidity adequacy standpoints. During the COVID-19 pandemic, the Company went through strenuous scenario analyses to protect its cash flow and maintain business continuity, accommodate higher flexibility to its investment plan with the potential to accelerate new project development when the situation returns to normal, and study high potential investment opportunities to support the Company's long-term competitiveness, growth and return aspirations.

Economy, Society and the Environment

In 2020, the role of Central Pattana as a globally sustainable organization in face of the COVID-19 pandemic extends to uniformly support its business ecosystem. Firstly, the support

to the economy comes through the "Rebuild Thailand, Rebuild Economy" plan and the underlying activities, for instance the "Thais Support Thais" and "Ruam Jai Market" campaigns, to encourage Thai people to support local businesses. Secondly, the Company provides support to the society, particularly to the healthcare and public sector personnel to combat the COVID-19 situation, under the program "We Care for All" in which more than 100,000 items, including face shields, financial donations, food, water and other essential articles are provided to over 5,000 healthcare heroes across the nation. With regards to environmental development, the Company carried out resource conservation initiatives under "Journey to Zero", the organizational campaign that promotes the use of clean energy and minimize carbon emission with a fortitude towards safeguarding and improving the well-being of the environment. In 2020, the Company successfully implemented solar cell system at eight new locations, bringing the total to 16 locations that generates total electricity from solar energy at 12,566 megawatts per hour (MWh), an increase of 39% from the previous year.

The success of the support and care for all stakeholders to overcome the pandemic crisis is reflected in the many awards and accolades the Company was proudly presented with. The recognition of **excellence in business management, marketing and finance** through the "Thailand Corporate Excellence Awards 2020", **top management honors** through the "Person of the Year 2020 – Business Management and Development" and "Best CFO – Property and Construction Sector" awards, and **excellence in human capital and organizational management** through the "Best Employer Brand Award", are a few examples of the well-rounded achievements that the Company accumulated over the past year. More importantly, Central Pattana remains one of the **global sustainability leaders** and the only Thai real estate company to be selected as a member of the Dow Jones Sustainability Indices (DJSI), with three consecutive years amongst the DJSI World constituents and seven consecutive years amongst the DJSI Emerging Markets constituents, as well as selected amongst the exclusive listed companies under the Thailand Sustainability Investment (THSI) for the fifth consecutive year. These heartfelt awards and recognitions are the major source of pride and motivation for the management and employees of the Company to give their utmost efforts to uphold the honor of a role model organization in Thailand and on the world stage.

In 2021, the continuous challenges from the COVID-19 pandemic, its impact to the economies and the reshaping of customer lifestyles and behaviors are key considerations for the Company to proactively prepare its business plan under a volatile environment, maintain solid business performances amidst constantly changing situations, progress with the long-term growth plan to collectively deliver betterment to all stakeholders. Hence, the Company's key focus areas to manage its businesses are:

- **Pioneer and co-create new and distinctive experiences for the customers, epitomizing the Center of Life for everyone.** By building on the success and popularity of the destination concepts within the Company's shopping centers, such as the Food Destination, Family Destination, Fashion Destination and Sports Destination, to name a few, the Company aims to jointly create new destination concepts, with the aid of business partners, to appeal more segmented and sophisticated customer targets, foster communal engagements and deliver new, memorable and vibrant experiences without limits.
- **Become digitally connected with customers through splendid and convenient services.** There are more than 3.3 mn subscribers to the CentralLife LINE Official Account, which currently features shopping center information, such as news, events and promotions, and exclusive services, such as parking reservations, in-mall navigation and other amenities. The Company aims to bolster service excellence through CentralLife and the development of other digital platforms to reinforce its omnichannel services, both offline and online, elevate customer experiences and satiate their lifestyle needs from the beginning to the end of the customer journey at the Company's shopping centers, through both the digital and physical spaces.
- **Progress with the new project development and diversify sources of income to other businesses and asset classes under the concept of mixed-use development project.** The Company abides to its originally announced plan to develop and open new mixed-use development projects, namely Central Ayutthaya and Central Si Racha in 2021, Central Chanthaburi in 2022, and Dusit Central Park, the new landmark at the heart of Bangkok downtown, in 2023-2024. Furthermore, the Company studies the prospects of new project development in high potential locations, both domestically and internationally, strengthen

the competitiveness of existing projects through asset enhancements, and accelerate the development of other types of assets, such as offices, hotels and residential projects, in the same area as the shopping center to embody the new way of living that revolves around the mixed-use development concept. Hence, these are the key growth drivers to the Company's businesses in the long-term.

- **Drive a purpose-led organizational transformation.** The modernization of work processes, the agility towards changes, the nurturing of learning culture and new skills acquisitions, and the cultural embedment for cross-function collaborations throughout the organization are part of the changes brought about by a unified Company purpose of "Imagining better futures for all", driven by four core beliefs: 1) Positivity 2) Dynamism 3) Customer Champions and 4) Community at Heart. The purpose and beliefs echo the successes of Central Pattana during the past 40 years and will continue to be the foundation to create and deliver prosperity to communities, the country and the world.

On behalf of the Board of Directors, we express our earnest gratitude towards all of our stakeholders: the shareholders, tenants, lessees, customers, partners, financial institutions, the public media and every affiliated public and private sector organizations, for their confidence and continuous support to our business. Our appreciation also goes to all our personnel who have dedicated their best effort under good governance principles to best serve our customers and tenants and jointly overcome the COVID-19 crisis and achieve the business targets, all the while supports the well-being of the environment, the community and society. The Company is committed to conducting business with good governance and social responsibility at its heart in the best interests of all stakeholders and hopes that, in return, will continue to receive great support and confidence to grow together towards a sustainable future.

Mr. Suthichai Chirathivat
Chairman

Mr. Preecha Ekkunagul
President & CEO

Report of the Audit and Corporate Governance Committee

To the Shareholders

The Audit and Corporate Governance Committee comprises four expert independent directors, all qualified according to Central Pattana's criteria. Mr. Paitoon Taveebhol, who is knowledgeable and duly experienced in reviewing financial statements, with Mr. Karun Kittisataporn, Mrs. Jotika Savanananda and Mr. Veravat Chutichetpong serving as members.

This year there were a total of 11 meetings, where the Committee consulted the management, the internal auditor, and the external auditor on related matters and obtained data from other management team members on agenda items related to all its charter duties. The Committee freely provided candid views and recommendations. It reported its performance to the Board of Directors in nine meetings, with the following highlights of performance and views.

Accuracy, completeness and credibility of financial reports

The Committee has reviewed quarterly financial statements, annual financial statements, important accounting policies, compliance with financial reporting standards, as well as key audit issues specified on the reporting page of the external auditor. The Committee also considered the scope, audit method, issues found, and the impacts of the enforced Thai Financial Reporting Standard (TFRS) No. 16 concerning rental contracts, effective from 2020, especially the reduction of rent for tenants during the COVID-19 pandemic in consultation with management and the external auditor. Two non-executive meetings were arranged with the external auditor to discuss the matter of independence in the execution of duty.

The Committee's view was that the Company's financial reports, prepared under the accounting policy designed by the Federation of Accounting Professions, were accurate, complete, and reliable with a sensible choice of accounting policies.

Adequacy of internal control system, internal audit, risk management and corporate governance

The Audit Committee has also been renamed as the Audit and Corporate Governance Committee to amend and improve upon its charter to ensure that the responsibility for corporate governance can be efficiently undertaken in compliance with the CG Code. This year the Committee reviewed corporate governance operations, human rights policy formulation as well as providing advice for sustainable business, especially conservation of the environment.

The Committee reviewed the findings by Internal Audit and the external auditor concerning internal control and reviewed the risk management and risk assessment process for full coverage in all aspects, the response to COVID-19, a new risk that severely affects the operations of the Company and the world. The Company has been found to have effectively handled COVID-19.

The Committee values the complaint-handling process that forms part of the anti-fraud and anti-corruption campaign. In 2020 an online complaint-handling system was developed that focuses on keeping confidentiality and protects the complainant while allowing follow-ups on progress of the case. Furthermore, the Committee acknowledged implementation of anti-corruption measures of the No-Gift Policy while working on assessment of personnel's understanding of good governance. The Company has also been re-certified as a member of the Thai Private Sector Collective Action against Corruption (CAC) on December 31, 2020.

It was the Committee's view that Central Pattana's internal control system was adequate and appropriate under the COSO Framework and the CG Code.

The Committee also reviewed and endorsed the annual internal audit plan, prepared under a risk-based approach. Such audit was of the integrated audit type (IT and non-IT) to embrace all aspects of risks and controls. The Committee held meetings with Internal Audit executives without any management present. It has also motivated Internal Audit to provide personnel development by building information

technology competence, developing the audit system, and especially improving data analysis for more efficient internal auditing.

Finally, the Audit and Corporate Governance Committee also evaluated the quality of the annual internal audit and found it “good”. It is of the view that Internal Audit has undertaken its duties on a par with international standards.

Compliance with securities and exchange laws, SET’s requirements, and applicable laws

Reviewing compliance with securities and exchange laws, the requirements of the Stock Exchange of Thailand (“SET”), and applicable laws, the Committee regularly monitored remedial approaches of the management, while overseeing revision of the Code of Conduct and the Corporate Governance Policy in line with new and international standards. It assigned the management to review Central Pattana’s performance to ensure compliance with the CG Code. Finally, the Committee regarded Central Pattana’s practices as being in compliance with all the above laws and requirements.

Related party transactions or transactions with potential conflicts of interest

The Audit and Corporate Governance Committee especially values the quarterly reviews of related party transactions as well as those transactions that may involve conflicts of interest under all laws and regulations of SET. The management has reported to the Committee on a quarterly basis. The Committee has stressed that all involved parties comply with the stipulated policies. It assigned External Auditor to monitor and verify of all these transactions annually. The Committee considered these transactions part of the normal course of business with regular commercial (arm’s length) conditions, sensible and fair conditions, and in Central Pattana’s best interests.

Suitability, review, selection, and nomination of the external auditor

The Audit and Corporate Governance Committee assessed the independence of the external auditor and reviewed their performance of 2020. The overall performance was commendable, and the external auditor has been duly independent in its audit activities. Additionally, the Committee held two meetings with the external auditor in the absence of the management to seek its opinions on audit activities and coordination issues with related members of the management.

Committee has considered the performance outcomes, work scope, and work volumes compared with the proposed audit fees for 2021 and agreed to nominate KPMG Phoomchai Audit Ltd. (“primary external auditor”) to provide its views on the consolidated financial statements of Central Pattana and its subsidiaries for 2021 and approved its 2021 audit fee of up to Baht 8,590,000 together with a fee of up to Baht 612,000 for the secondary auditor(s) of Central Pattana’s selected subsidiaries registered in other countries.

Overall views and remarks on conformance to the Audit and Corporate Governance Committee Charter

The Audit and Corporate Governance Committee engaged in self-assessment of its overall performance for 2020 on January 6, 2021. This assessment was in three parts: first, the overall activities during the year; second, the specific activities, namely 1) reviewing of the financial reports for accuracy and adequacy, 2) reviewing the effectiveness and efficiency of internal control systems and internal audit practices, 3) reviewing compliance with all the requirements of the securities laws, SET’s requirements, and applicable laws, 4) selection and nomination of the external auditor, 5) reviewing related party transactions, and 6) preparing its own report; and third, roles in corporate governance.

The Audit and Corporate Governance Committee’s overall view is that it has performed the duties and responsibility stated in its Board-approved charter sufficiently and thoroughly with due competence, care, prudence, independence for all stakeholders’ equitable interests, and emphasizes the Company’s sustainable development in line with good corporate governance principles.

Mr. Paitoon Taveebhol

Chairman of the Audit and
Corporate Governance Committee

Report of the Nomination and Remuneration Committee

To the Shareholders

In 2020, the Nomination and Remuneration Committee held three meetings 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 2020 Annual General Meeting of Shareholders (AGM) for consideration. Central Pattana offered individual shareholders a chance to nominate directors from September 27, 2019 to January 15, 2020. Since no candidates were nominated, the Committee recommended that the directors who completed their terms in 2020 should be reappointed to another term. The 2020 AGM approved the appointment of all nominated directors.
2. Considered the 2020 remuneration for the Board and the sub-committees, comprising the Audit and Corporate Governance Committee, the Nomination and Remuneration Committee, and the Risk Policy Committee, and then submitted to the Board and the shareholders' meetings for consideration and approval, taking into account their responsibilities and performance related to revenue earned, other relevant factors and also compared with industry peers. Due to the situation of the COVID-19 virus which affects the Company's revenue and operation, the Nomination and Remuneration Committee deemed it appropriate to propose the remuneration for the Board of Directors for 2020 with a ceiling of Baht 18,000,000; decreasing from 2019 by Baht 2,000,000. The remuneration met with approval from the shareholders.
3. Evaluated the President & CEO's performance in 2020 and worked with the President & CEO in setting goals and evaluation methods for his performance in 2021.
4. Reviewed the succession plan for the President & CEO, with his involvement in the review and data presentation.
5. Acknowledged the Company's 2020 Board diversity information, which comprises the number of independent directors, their gender, age, tenure, and Board Skill Matrix, as information for the consideration on the nomination of qualified candidates who are knowledgeable and skillful in diverse fields relevant to the Company's business operation; and, reviewed the opinions and suggestions from shareholders over the Company's Board composition and structure.
6. Acknowledged the 2020 Employee Bonus Payment Policy and provided suggestions to the management as supporting guidelines for deciding reasonable payment.
7. Acknowledged the outcomes of the Committee's self-assessment for 2020 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 development, including performance outcome in 2020, plan and operation in 2021, recruitment, turnover rate and staff development plan.
9. Acknowledged the change in the Company's management structure that aims at enhancing management efficiency and flexibility.

10. Acknowledged the corporate governance and sustainability practices relating to the Nomination and Remuneration Committee, in comparison with the Corporate Governance Report of Thai Listed Companies issued by the Thai Institute of Directors, the ASEAN Corporate Governance Scorecard, and the Dow Jones Sustainability Indices.
11. Reviewed the Charter of the Board and that of the Nomination and Remuneration Committee. No amendment was made in 2020 since the contents in the current charters are still duly complete and suitable.
12. Reviewed the operation of Central Pattana's Employee Joint Investment Program (EJIP).

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

Sustainable risk management is highly valued at the Company as a means of fostering confidence in goal achievement for stakeholders and reduction of potential losses. The Company is committed to developing comprehensive business risk management and turning it into a corporate culture. Identified key risk factors span all aspects at the corporate and business unit levels, after which suitable risk management strategies are applied to minimize and keep them manageable under the supervision of the Risk Policy Committee. At the same time, the Risk Management Committee engages in the management of risks. The performance outcomes are highlighted below:

1. Reviewed annual corporate risk issues by taking into account the dynamics of external changes in economic, social, climate, and technological innovation aspects affecting consumers' behavior, coupled with increasingly fierce competition. Also considered were internal factors so as to define key risk factors of business, financial and operation or business continuity, including environment, human right and corporate governance. Details about key risk factors and their management plan in 2020 are available under "Risk Management".
2. Ensured revision and monitoring of significant emerging risks for the next 3-5 years against goal achievement, specifically by monitoring and providing recommendations for managing such risks in 2020, consisting of
 - Risks of adjusting Central Pattana to sustain technological transformation, different business models, and cyber-attacks
 - Risks of compliance with the Personal Data Protection Act (PDPA)
 - Risks associated with COVID-19
3. Approved the risk register, defined key risk indicators, and defined acceptable risks
4. Tracked the status of key risks and reviewed risk response plans of risk owners
5. Endorsed the revised risk management system in keeping with current business and operation for efficient risk management practices

The Risk Policy Committee continually reported risk management outcomes to the Board of Directors. This year Central Pattana comprehensively reviewed assorted risks, with constant and regular monitoring of key ones, which were efficiently and satisfactorily managed to promote its total achievement of success against its vision and mission.

Mr. Paitoon Taveebhol

Chairman of the Risk Policy Committee

Chapter

07

Board of Directors

Board of Directors



01

Dr. Supachai Panitchpakdi
Honorary Chairman



02

Mr. Suthichai Chirathivat
Chairman



03

Mr. Karun Kittisataporn
Lead Independent Director



04

Mr. Paitoon Taveebhol
Independent Director



05

Mrs. Jotika Savanananda
Independent Director



06

Mr. Veravat Chutichetpong
Independent Director



07

Mr. Suthikiati Chirathivat
Director



08

Mr. Sudhisak Chirathivat
Director



09

Mr. Sudhitham Chirathivat
Director



10

Mrs. Nidsinee Chirathivat
Director



11

Mr. Kobchai Chirathivat
Director



12

Mr. Prin Chirathivat
Director



13

Mr. Preecha Ekkunagul
Director

Executive Management



01

Mr. Preecha Ekkunagul
President & CEO



02

Ms. Wallaya Chirathivat
Deputy Chief Executive Officer



03

Mr. Suthipak Chirathivat
Senior Executive Vice President,
Office of the President



04

Ms. Naparat Sriwanvit
Senior Executive Vice President,
Finance, Accounting and Risk Management



05

Mr. Chanavat Uahwatanasakul
Senior Executive Vice President,
Development Workgroup



06

Mr. Lertvit Pumipitak
Senior Executive Vice President,
Property Management

Key Development

2020

Impact from COVID-19 Pandemic and Mitigation Plan

[01

As a result of COVID-19 pandemic situation, Central Pattana has strictly complied with the announcement from government sector limiting risk area to protect the pandemic situation. The Company implemented proactive measures to manage the situation rapidly changed by considering all stakeholders.

- **Shopping Centers**

Temporary closure of shopping centers totaling of 34 locations, comprising 33 malls in Thailand during March 22 - May 16, 2020 and Central i-City in Malaysia during March 15 - May 3, 2020. To facilitate safety and convenience for customers, Central Pattana still provide necessary services in the shopping centers. The Company has initiated "Central's Safety and Hygiene Plan" to enhance cleanliness and highest safety measures practical. Moreover, the Company implemented Chat and Shop system, call center, Pick-up Counters, and drive through pick-up stations to facilitate safety and convenience for customers including preventive measures in shopping centers.

- **Offices**

Business operated as normal with high standard of defensive measures, even though some of office tenants' employees applied Work from Home protocol during lock down. However, number of office workers in office buildings had steeply increased after the restriction had released.

- **Hotels**

Temporary closed of two hotels since April 2020. Centara and Convention center Udonthani re-opened again on July 1, 2020. Hilton Pattaya Hotel took the opportunity to accelerate the renovation from May - November 2020, to enhance operational efficiency as well as prepare upon re-opening.

- **Residential Projects**

Launched new projects through out the year. The Company offer both project physical visiting and via virtual showroom on mobile application. All projects got very good feedback, especially low-rise projects which offer the solution for "New Normal" lifestyle.

Central Rama 2 Lease Renewal for CPNREIT

[02

Central Pattana renewed the lease of Central Rama 2 with CPNREIT for another 30 years, from 2025 to 2055, the gain from this transaction was booked in financial statement as a special item. According to uncertain situation of stock market, two assets injection to CPNREIT was under reviewed and should be concluded by 2021.

2020

Launched Seven Residential Projects

03

Four low-rise projects including: 1) ESCENT TOWN PHITSANULOK - townhome format, located next to Central Phitsanulok; 2) NINYA KALLAPAPRUEK - twin home format, located on Kanlapaphruek Rd., near Bangkhae Rd., Petchkasem Rd. and Kanchanaphisek Expressway; 3) NIRATI CHIANGRAI - single house format, located only four km. away from Central Chiangrai; and 4) NIRATI BANGNA - single house format, located in area of Central Bangna, Central Village, Suvarnabhumi Airport, and other schools, hospitals and expressways.



▲ NINYA KALLAPAPRUEK



▲ ESCENT HATYAI

Three condominium projects including: 1) ESCENT RAYONG II - the second condominium, located next to Central Rayong; 2) ESCENT KORAT - the second condominium project, located next to Central Korat, first project of these two locations got very good feedback after launching and were sold out quickly; and 3) ESCENT HATYAI - the first condominium next to Central Hatyai.

Member of the Dow Jones Sustainability Indices (DJSI)

04

Central Pattana has been selected to be a member of Dow Jones Sustainability Indices (DJSI). Central Pattana is the only property developer company and one of twelve companies in Thailand that has been selected to be a membership of DJSI World for the third consecutive year (2018-2020) and DJSI Emerging Market for the seventh consecutive year (2014-2020).

2019

The Opening of “TRIBHUM: The Mystic of Three Worlds” [01

TRIBHUM is the world's first 3D walkthrough theme park solidifies the position of Central Phuket Floresta as “The World's Must Visit Destination in Thailand” to provide meaningful and enjoyable experiences about the infamous Thai myths and folklores, portrayed in contemporary presentations, to both local and foreign visitors. The iconic attraction is a well-blended component of Central Phuket as the world's shopping and leisure destination of choice.



The Opening of Central i-City [02

Central i-City is the first international shopping center and the 33th shopping center of Central Pattana. Central i-City is a part of the i-City Ultrapolis, one of Malaysia's largest mixed-use development complexes located in the city of Shah Alam, Selangor State, and is conveniently accessible from the districts of Shah Alam, Klang, and Kuala Lumpur. Central Pattana and i-Berhad Group, a leader in real estate development in Malaysia, have jointly developed Central i-City, through 60% and 40% investment proportions respectively.

Announcement of Dusit Central Park Project [03

Central Pattana and Dusit Thani Public Company Limited (DTC) have jointly announced the inauguration of Dusit Central Park, the most prominent mixed-use development project at the heart of Bangkok central district located across a 23-rai land at the corner of Silom Road and Rama 4 Road and seamlessly connected with the mainstream mass transit systems, such as the BTS skytrain and the MRT subway. The project comprises the Central Park shopping complex, the Central Park Offices, the brand-new Dusit Thani Bangkok Hotel and a residential project under the brands “Dusit Residences” and “Dusit Parkside”. The construction of the project is underway and is expected to be progressively completed and open for service from 2023 onwards.

Continued Investment in Mixed-use Development [04

Central Pattana prepared to invest in mixed-use projects in high potential locations for long term sustainable growth. Central Pattana acquired ordinary shares in Bayswater from BTS Group Holdings Public Company Limited (BTS) accounted for 50% of the total issued and sold shares of Bayswater to enhance Central Pattana's latency to compete as well as expand revenue base from land bank at Paholyothin Rd. Following by launched ESCENT VILLE CHIANGMAI, the third condominium project next to Central Chiangmai after the first two were sold out.

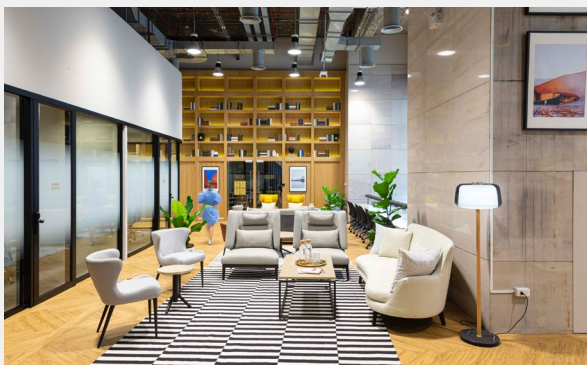
2019

Investment in New Businesses to Sustain Company Long-term Growth

[05

To accommodate customers' ever-changing lifestyles needs and diversify its sources of income, Central Pattana invested in Grab Thailand through a joint venture company with Central Retail Corporation Public Company Limited (CRC). The objective is to invest in Grab businesses to expand into new services and stimulate increases in mall traffic, as well as food delivery service which could enhance tenant's sales.

Central Pattana debut first two "Common Ground Co-working Space" in Thailand at the G Tower office building located in Rama 9 next to Central Rama 9, and at Central World Offices. Common Ground Co-working Space could serves new generation of workers and start-up entrepreneurs whose preferences are not limited to home and office, and are immersed with work and living integration with the shopping center.



The Opening of Central Village and Announcement of World-class Project Partner

[06

Central Pattana launched the first luxury outlet in Thailand and the 34th shopping center of the Company. The design expressed on Thai identity architecture impeccably harmonized with the serene outdoor nature to create a shopping destination located close to Suvarnabhumi Airport offering more than 130 shops serving both local and tourist customers. The first phase accounted for approximately 20,000 sq.m. After Launching, Mitsubishi Estate Company Limited (MEC) through its Singapore-based subsidiary MEA, one of the world's most prestigious real-estate developers, became a project partner. Under the agreement, Central Pattana is a majority shareholder with a 70% stake in CPN Village Company Limited, while MEA shares the remaining 30%. The two allies hope to push Central Village to the next level of success and towards the position of ASEAN's best luxury outlet with the idea of "Two Nations, One Success."

The Lease of Assets to CPNREIT

[07

Central Pattana agrees to lease out new assets to CPNREIT comprising four shopping centers, namely Central Marina (partial) with a lease tenure of 15 years ending 2035, Central Lampang (Partial) with a lease tenure of 22 years ending 2041, Central Surat (Partial) with a lease tenure of 30 years, and Central Ubon (Partial) with a lease tenure of 30 years. Further, the Company is preparing to extend the lease of Central Rama 2 project to CPNREIT for an additional 30 years ending 2055. The leases of the four assets and the extension of the lease term at Central Rama 2 is expected to be completed within 2020.

2018

The Opening of IKEA Bangyai at Central Westgate

[01

IKEA Bangyai, the latest flagship superstore and the largest IKEA store in Southeast Asia with an area of more than 50,000 sq.m., features a unique format with multiple entries and exits at three levels seamlessly integrated with Central Westgate. Through the strategic partnership with IKEA, a world-class furniture brand, Central Westgate cements its position as the super-regional mall in western Bangkok and support the urbanization in the Bangyai area.

Purchase of Ordinary Shares in Dusit Thani Public Company Limited

[02

The Board of Directors Meeting No. 4/2018 on May 9, 2018, approved the purchase of 194,926,920 ordinary shares in Dusit Thani Public Company Limited ("DTC"), or equivalent to 22.93% of total shares issued and paid-up of 850,000,000 shares. The transaction amount was Baht 2,141.4 mn and the purpose of the transaction was for long-term investment with no intention to be involved in the management of DTC.

The Extension of Land Leases of Central Rama 2

[03

Central Pattana successfully finalized extension of land leases for Central Rama 2 for an additional 30 years, expiring in 2055 and 2060 (Partial). The transaction brings forth the opportunity to continuously develop the shopping center. Central Pattana is currently preparing the proposal of terms and conditions for the land and property sublet rights to CPN Retail Growth Leasehold REIT (CPNREIT) to consider the extension of the leasehold of Central Rama 2.

The Opening of Central Phuket Floresta

[04

Opened on September 10, 2018 and connected to the Central Phuket Festival, the entire complex is known as Central Phuket, the largest shopping complex in southern Thailand, located on a 111-rai land in the bustling downtown of Phuket as the first luxury flagship for Central Pattana that impeccably combines lifestyle experience and relaxation to become the "Magnitude of Luxury & Leisure Resort Shopping Destination" not only for local communities but also foreign tourists. It also features the world's premier attractions, namely 1) TRIBHUM, the virtual 3D interactive walkthrough experience; 2) Aquaria, which features over 25,000 marine species; and 3) Tales of Thailand, the center of cultural heritage from past to contemporary, from all parts of Thailand.



2018

The Acquisition of Shares in Grand Canal Land Public Company Limited or “GLAND” [05]

CPN Pattaya Co., Ltd., (“CPN Pattaya”), a wholly owned subsidiary of Central Pattana, acquired shares of GLAND equivalent to 67.53% of total issued and paid-up shares, which consists of 50.43% acquired from a group of major shareholders and the remaining 17.10% from the tender offer at Baht 3.10 per share, for a sum of Baht 13,607 mn. The acquisition of shares in GLAND, a property developer for real estate projects for sale and for lease, which includes office buildings, hotel, residential projects and retail area, as well as projects under development and land bank in several locations, unlocks the potential to develop mixed-use projects based on the business strategy and create long-term returns to shareholders.

Launched Three Residential Projects [06]

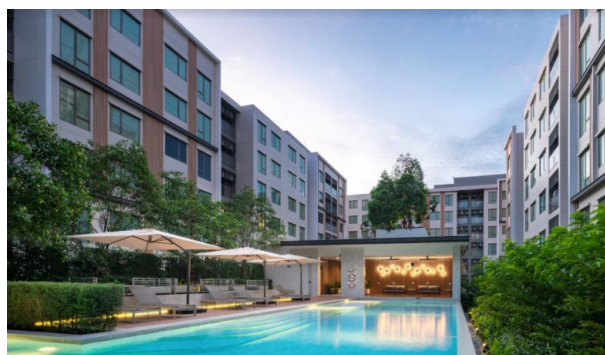
Central Pattana launched two condominium projects including: 1) PHYLL PHAHOL 34 - the first low-rise condominium in Bangkok, with designed concept of “Live Everyday in Urban Hideaway”, the project is located at the entrance of Phaholyothin 34 Rd., conveniently accessible via the Senanikorn skytrain station on the green line and in close proximity to Central Ladprao and Kasetsart University; and 2) ESCENT UBONRATCHATHANI - which is located next to Central Ubon. Lastly, the Company launched NIYHAM BOROMRATCHACHONNANI - the first low-rise residential, located on the Boromratchachonnani Rd., conveniently accessible via both the elevated highway and the Si Ratch Expressway - Bangkok Outer Ring Road and close to the light red rail line, as well as within commuting distance to Central Pinklao and Central Salaya.



▲ NIYHAM BOROMRATCHACHONNANI



▲ ESCENT UBONRATCHATHANI



▲ PHYLL PHAHOL 34

Awards and Recognition

Achievement Award for Project Design and Development



01 Asia Pacific Property Awards 2020-2021 Award Winner for “Retail Development for Thailand”

Organized by International Property Media, the award is amongst the world's largest and most respected awards program in the real estate industry. The “Retail Development for Thailand” granted to Central Village for its distinguished design and concept.

Achievement Awards for Business Management, Marketing and Financial Management

02

Thailand Corporate Excellence Awards 2020

Presented by the Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University



Distinguished Award for Marketing Excellence



Distinguished Award for Financial Management Excellence

03

Person of The Year 2020 For Business Management & Development

Granted to Ms. Wallaya Chirathivat, Deputy CEO of Central Pattana, for her remarkable vision for business management and development and making benefit to the society, presented by Thai Social Foundation.

04

IAA Awards 2020 BEST CFO: Property and Construction Sector

Granted to Ms. Napat Sriwanvit, Chief Financial Officer and Senior Executive Vice President - Finance, Accounting & Risk Management of Central Pattana in recognition of her distinguished financial management, presented by Investment Analysts Association.

Achievement Awards for Corporate Governance

[05

ASEAN Asset Class by ASEAN Corporate Governance Scorecard

Central Pattana is granted by the ASEAN Corporate Governance Scorecard and classified in the ASEAN Asset Class Publicly Listed Companies 2019, for the organizations with score of 97.50 points or above.



[06

“Excellent” CG Score on the Corporate Governance Report of Thai Listed Companies 2020 for the 12th Consecutive Year

Granted by the Thai Institute of Directors Association (IOD) and commissioned by the Stock Exchange of Thailand (SET), Central Pattana has been granted “Excellent” CG score during 2009-2020.



[07

Recertification of Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC)

Central Pattana became a CAC certified member since 2015 and must recertify once every three years. The Company was recertified on December 31, 2020.



[08

“Role Model Organization” Award

Central Pattana was awarded the “Role Model Organization” from the STRONG - Anti-corruption Project, organized by the Office of the National Anti-corruption Commission (NACC), as the Company has put in place the essentials from the Project into the Company’s operation and has exchanged the knowledge among other organizations in the public sector, private sector, local administrative organizations and independent entities on such tangible working processes.



Achievement Awards for Sustainable Development and Environmental Conservatism



09

Thailand Sustainability Investment (THSI) For the sixth consecutive year (2015-2020)

And is awarded to public companies that conduct their businesses towards sustainable development, having excelled in environmental, social and governance (ESG) aspects. The award was established by the Stock Exchange of Thailand, corresponds to international standard and serves as information for investors to invest in high quality stocks with continuous returns in the long term.



11

Sustainable Business Awards Thailand 2020 (SBA)

- Award Winner
Energy management
- Special recognition in 3 categories:
Community, Supply Chain and Land Use Organized by Global Initiatives, a global sustainable organization that is driving and supporting the business sector to achieve sustainability goals (Singapore).

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

Member of Dow Jones Sustainability Indices 2020 (DJSI) in two categories, Namely 'DJSI World' for the third consecutive years and DJSI "Emerging Markets" for the seventh consecutive year

Central Pattana remains the first and only Thai property development company which had been selected to be a member of DJSI Emerging Markets for the seventh consecutive year, and had been rewarded to DJSI World for the third consecutive year in 2020. The DJSI comprises a series of globally renowned indices based on corporate economic, environmental and social performances. The DJSI is managed cooperatively by RobecoSAM and S&P Dow Jones Indices to assess leading companies from stock exchanges globally that demonstrate exemplary business performance, market capitalization, transparent management with sound corporate governance, and contribution to social and environmental well-being.

12 **ASEAN Energy Awards 2020**
Award Winner - New and Existing Building Category

Granted to Central Mahachai, presented by the Department of Alternative Energy Development and Efficiency, the Ministry of Energy.

13

Waste water management of pollution sources "Gold Level"

Assessed by the Ministry of Natural Resources and Environment for the following centers: Central Korat, Central Samui, Central Chiangmai Airport, Central Ubon, Central Salaya and Central Suratthani.

Economic and Industry Overview

Thai Economy 2020

The COVID-19 pandemic in 2020 devastated Thailand's economy. Formerly, the economic prediction was for 2.0%-2.5% growth from expansion of the consumer and domestic investment sector, improved trade war situation, and predicted increase in tourists in 2020. However with the spread of the COVID-19 pandemic, the GDP has halted and gradually decreased by -6.1%, recording an all-time low in the second quarter to -12.2%, the lowest in 22 years, mainly due to the lockdown in the second quarter for one and a half months to stop the spread.

In May 2020, after the lockdown was lifted when the spread came under control and prevention measures were put in place, the Thai economy started to slowly recover. This is mostly due to investment by the state through increased budget spending, acceleration of state spending as well as consumers' spending that improved due to economic incentives such as Khon La Khreung (Let's Go Halves), Shop Dee Mee Kuen (Shop and Payback), and the state welfare card. However, the COVID-19 pandemic has left extensive economic scars: 1) closure of medium and small businesses in the tourism and service sector, 2) increased unemployment from reduced productivity and shuttering of the business sector as well as drought in agriculture, and 3) increased household and business debts.

The new round of COVID-19 pandemic in several countries that affected the expansion of the economy and trade volumes worldwide has caused Thai export volumes to plummet -5.8% from previous year, income from tourism to drop -82.6% from previous year, with the number of foreign tourists reduced by -83.2%. The government has tried to stimulate the economy with various measures such as extending long holidays and tourism stimulus campaign (Rao Teaw Duay Kan) programs. These projects were fairly well received. However, Thailand depends mainly on the foreign sector for both exports and tourism, and as the current situation tramples the economic recovery, most projects cannot be effectively realized.

Furthermore, there were situations concerning political stability such as the "Flash Mob" protests led by students and youths at the beginning of the year that had grown into mass rallies and smaller mobs in Bangkok and the provinces before becoming "Khana Ratsadorn 2563" (People's Party 2020) that held several activities in December 2020. Adding to the above problem was the new round of COVID-19 pandemic during December 2020, which also affected consumers' confidence, private investment and the domestic tourism that had been gradually reviving.

Economic Outlook 2021

In 2021, Thailand's economy is predicted to achieve positive growth from its low base in 2020. The National Economic and Social Development Council of Thailand (NESDC) predicted that the economy will expand 2.5%-3.5%, with the main factors being: 1) world economic recovery; 2) consumer spending and public investment, including measures to further stimulate the economy; 3) expansion of domestic private consumption; and 4) low base in 2020.

Still, the economic challenges that Thailand faces in 2021 and may become a drag on the economy comprise: 1) control domestic COVID-19 pandemic situation; 2) stabilize the political situation; 3) help some businesses that still not recover; 4) maintain government spending and investment; 5) increase export; 6) encourage private investment; 7) prepare for new coming foreign tourist; 8) prepare for drought and farmers' income; and 9) monitor world economic volatility.

2020 Retail Industry Overview and 2021 Outlook

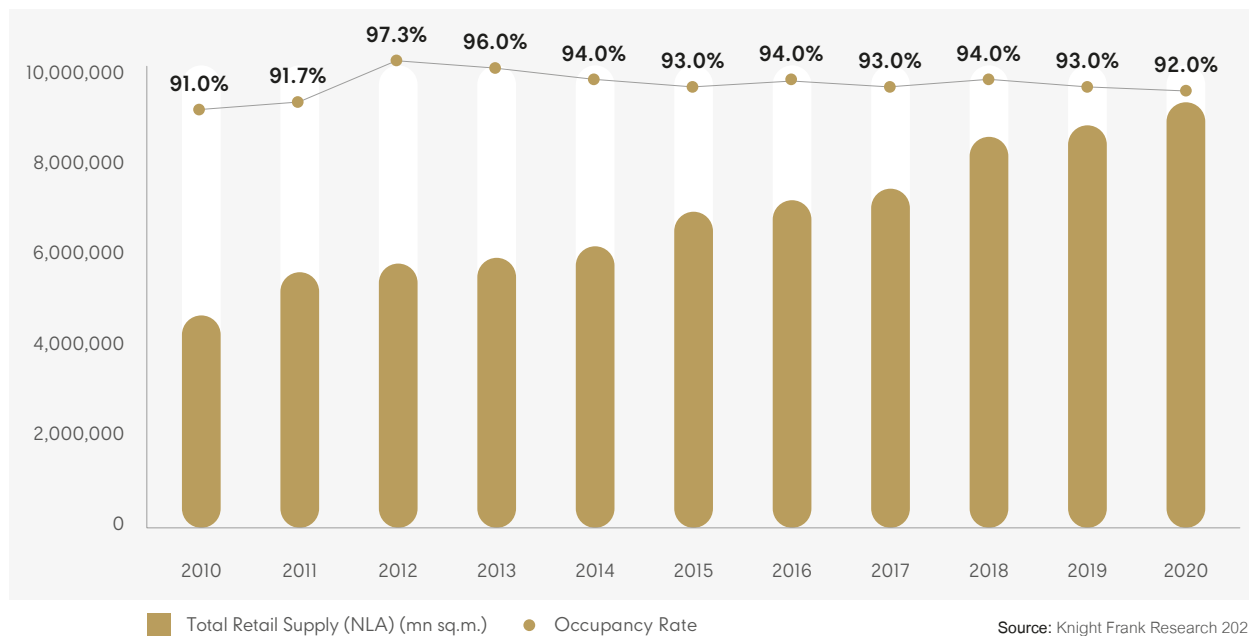
2020 saw unprecedented disruption and change to the broader economy and retail sector in Thailand, the Region and Globally. Tourism sector had highly impact including international trading, consumption, investment and private income.

Thailand has experienced significant growth in the retail segment over the past decade, driven primarily by rapid urbanization, infrastructure development, rising middle class wealth and incomes, and the exponential growth seen in inbound tourism. Total retail supply has grown significantly in line with the industry and economic growth with the

total retail supply in Bangkok standing at circa 9 mn sq.m. of net lettable area (NLA) (source: Knight Frank) and over 20 mn sq.m. across Thailand in gross terms (source: Central Pattana Analysis with Jones Lang LaSalle (JLL) retail data). Retail supply growth in Thailand has seen over 6% of stock added each year on average with shopping mall trends being characterized by three key observations:

- 1) Emergence of “Super Regional Suburban Malls” in key strategic gateway cities/provinces
- 2) Growing trend in smaller Community & Neighborhood Malls in dense urban areas
- 3) Prominence of more Mixed-use retail elements, as part of larger and ‘mega’ developments

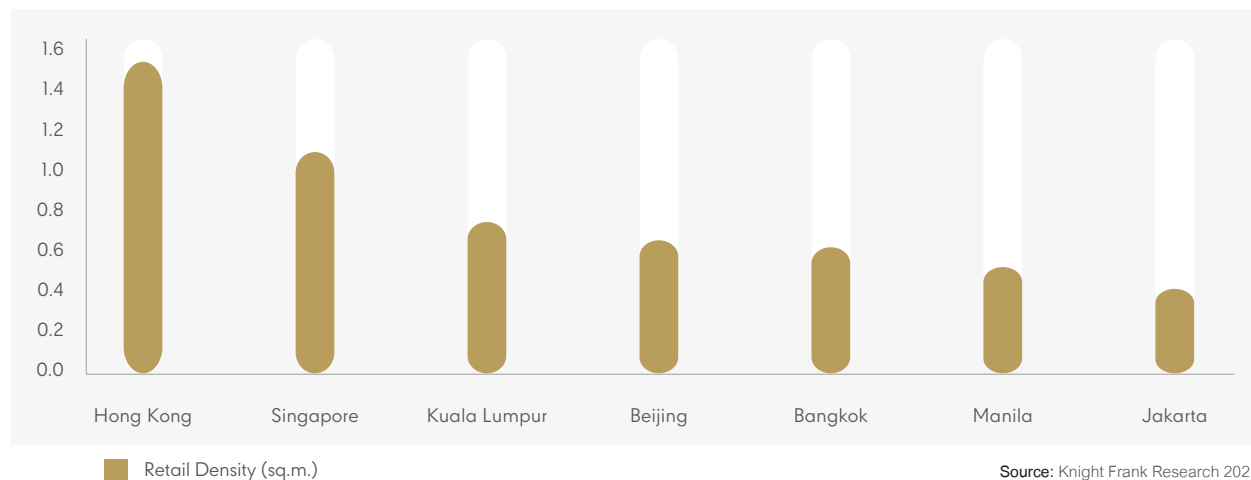
Total Retail Supply (NLA) & Occupancy in Greater Bangkok over 2010-2020



Supply of retail space and density in Bangkok is on par with neighbouring cities like Manila, Kuala Lumpur, Jakarta and even Beijing, however remains less ‘over supplied’ than the likes of Hong Kong and Singapore. While there is more room to grow in reach an ‘oversupplied’ situation compared

to prominent shopping destination countries, Bangkok remains cautious in its supply pipeline given its lower consumer expenditure levels and forecast for tourism in the medium term.

Retail Density Analysis across Key Asian Gateway Cities



In 2020 consumer confidence saw a significant drop due to employment layoffs, slower economic growth and rising household debt. The Consumer Confidence Index (CCI) dropped from 70 in early 2020 down to 47 in April but has recovered slightly to 52 as at the start of December 2020. The retail sales index has also seen a significant drop from 260 in Q4/2019 to a low of 198 in Q2/2020 and recovered to 240 as at the start of Quarter 4 in 2020.

As a result of this, market occupancy currently sits around 92%-94%* with the short term trend set to decline further due to the impacts of COVID-19 pandemic in 2020 and into 2021. Based on this situation, the market may have reached its peak in occupancy with rentals set to decline in the short to medium term also to reflect lower demand. The market is forecasting a drop of 20%-30%* to rentals as a result of lower domestic and international demand, global economic uncertainty and lower household wealth due to COVID-19 pandemic.

The COVID-19 pandemic has also disrupted the retail sector through consumer's adoption of online shopping through e-commerce channels. While Thailand is relatively immature in terms overall e-commerce penetration, which sits at 3%-4%, this sector has significant growth potential in order to reach maturity. Markets like China, UK and the US has e-commerce penetration at over 20% highlighting the rapid rate of disruption that technology and online commerce is set to play to the Central Pattana business.

Central Pattana is strongly positioned to not only mitigate the disruptive influence of digital to the existing business, but it has become a first mover on key technology investments and partnerships to complement the offline offer to online products, services and omni channel offering as part of the overall digital strategy. The success of retail in the future depends on successfully delivering customer experience and convenience through both the online and offline worlds, with the mall being at the center of the customer's life to live, work, play and learn.

For 2021, Central Pattana sees retail in recovery mode with nominal growth to be witnessed in the sector. Significant supply still remains to be delivered for Thailand in 2021 at over 200,000 sq.m. in NLA terms. Domestic demand will drive the majority of retail sales for 2021 with continued government stimulus measures supporting consumption and new Mass Rail Transport infrastructure lines boosting consumption for the sector. Looking further ahead in the Medium to Long term horizon, significant risks remain in the Bangkok market with new mega projects set to put further supply pressure to the retail sector.

2020 Office Industry Overview and 2021 Outlook

The impact of COVID-19 pandemic on the office sector can be seen across two key aspects:

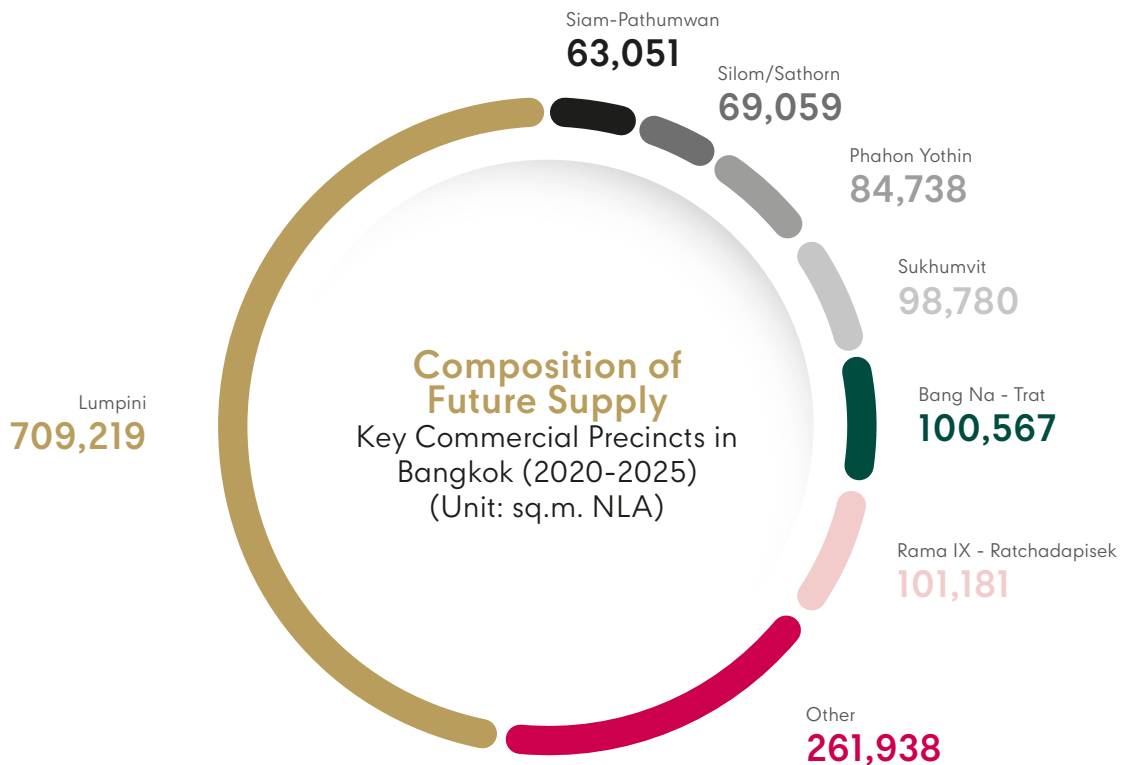
- 1) Macro economic impacts to demand and supply
- 2) Structural shifts in office demand and new office space design&services

Macro Economic Impact:

COVID-19's impact on the Bangkok office sector has seen direct reduction in demand from occupiers throughout 2020. Continued weakness in Private Investment, Net Trade and Unemployment has largely driven the net absorption levels to negative territory in 2020. Private consumption has remained

mutated across 2020 through domestic and foreign direct investment remaining negative. Firms have held off expansion plans and instead focused on consolidation of cashflow and cost mitigation to survive, driving office space absorption to be negative. Continued pressure on the hospitality, tourism and services sectors, which have seen unemployment reach 2% according to the Bank of Thailand, a record high. While white collar employment is less sensitive to the pandemic, the market has seen firms returning excess space in readiness and direct response to labour market impacts from COVID-19.

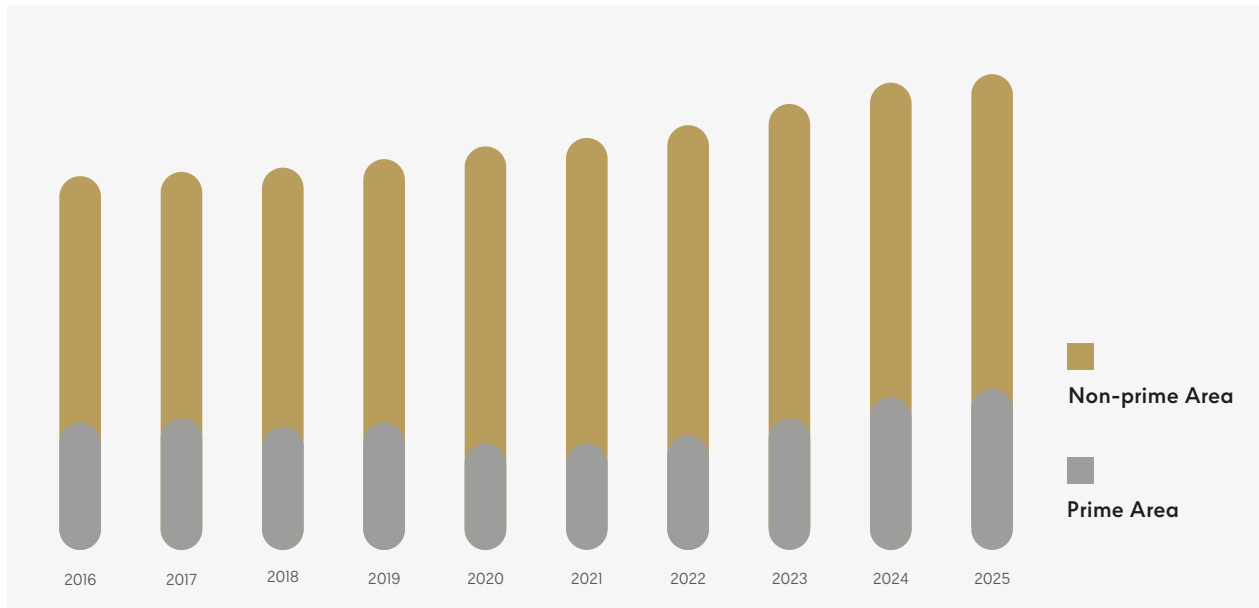
This impact has seen vacancy levels rise to over 11% for 2020, according for JLL, for greater Bangkok overall office space with the trend set to increase further throughout 2021.



Future supply has also been affected with projects being slowed down, delayed or in some instances postponed due to pending market situation improving. The current Bangkok office supply level sits at over 9 mn sq.m. according to JLL, up 2% year on year from 2019 however significant risks

remain in the next five years with over 1.1 mn sq.m. to be added to the market. The outlook remains cautious for many developers with pipeline projects needing to be pre-leased and tenants secured ahead of project completions, in order for the risk to be mitigated.

Cumulative Office Supply in Bangkok during 2016-2025



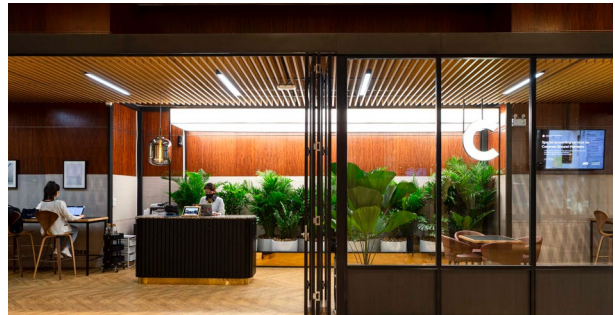
Source: JLL Thailand

Structural Shifts in Demand

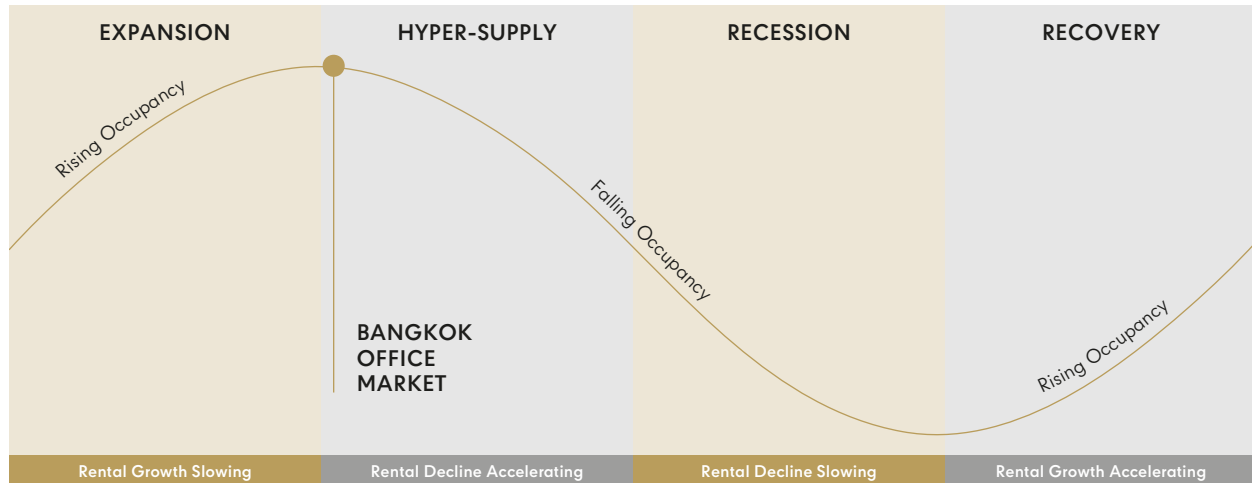
The indirect impact of the COVID-19 pandemic has seen structural shifts to the sector with disruptions centered around two key trends witnessed:

- 1) Decentralization - Hub & Spoke model for large corporates looking to decentralize locations
- 2) Technology Disruption - reduced demand for space & utilization of traditional offices (Work from Home/ Remote Work/Flexible Locations)

2021 will see further consolidation of firms looking to rationalize their workplace and headcounts, directly impacting demand in the market. Given the weakness in demand, pressure on vacancy and rents and the impending supply pipeline, the Bangkok office market is forecast to remain weak with little upside in the short term.



Bangkok Office Market Cycle Position



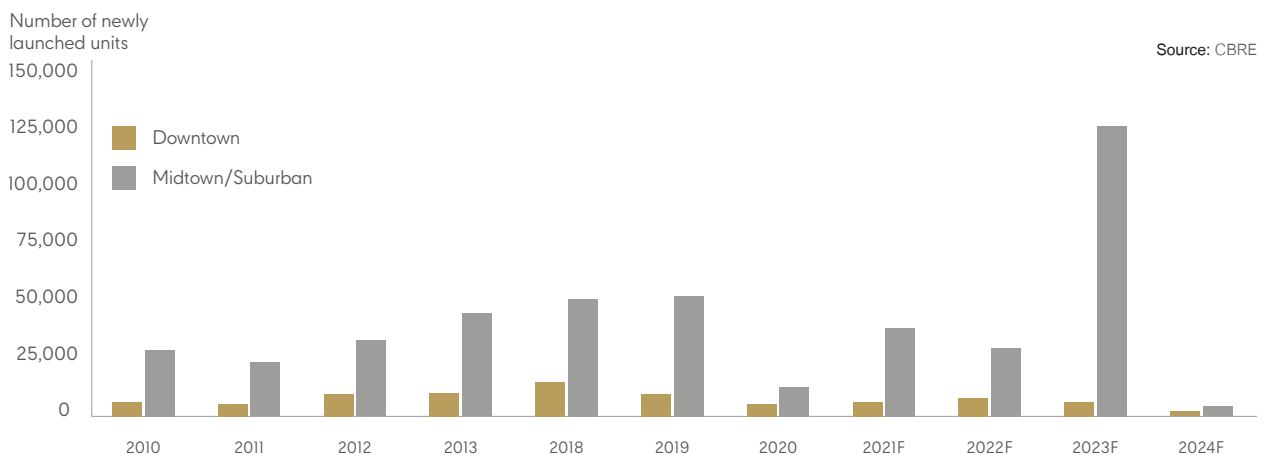
Source: Knight Frank

2020 Residential Industry Overview and 2021 Outlook

The residential market in Bangkok continued to experience downside weakness from the negative impacts of the COVID-19 pandemic. Purchasing power of both domestic and foreign buyers remained weak, despite record low policy rates and government incentives to stimulate the sector. Private

investment remained negative throughout 2020 fueled by pessimism of the overall economic recovery situation, driving prices down ranging from 10%-50% for newly launched/completed projects in Bangkok.

Composition of New Condominium Supply in Greater Bangkok 2010–2024



Supply for newly launched condominium projects reduced by over 25% according to CBRE across 2020 compared to 2019 with the suburban and midtown markets more active vs downtown areas. Take up remained low despite aggressive developer programs to stimulate demand ranging from

direct discounts to furniture packages, waiver of fees and guaranteed income yields for initial periods of purchase. Continued risk of forfeiture remains on pre-sold units/houses for new projects remain with household debt at record levels and one of the highest in the ASEAN region.

Chapter

12

**Nature of Business
and Assets under
Management**

Nature of Business and Assets under Management

Business Overview

Central Pattana Public Company Limited (“the Company” or “Central Pattana”) was established under the name of “Central Plaza Co., Ltd.” on June 17, 1980, with an initial registered capital of Baht 300 mn. In 1982, Central Pattana launched Central Ladprao, the first fully integrated shopping center in Thailand, followed by Central Ramindra, Central Pinklao and Central Center Pattaya (currently Central Marina). Central Pattana was listed on the Stock Exchange of Thailand (SET) on March 1, 1995, with a registered capital of Baht 1,000 mn and a par value of Baht 10 per share. Currently, its paid-up capital is Baht 2,244 mn, with a par value of Baht 0.5 per share, of which the majority is held by Central Holdings Co., Ltd.

Central Pattana has been expanding its large-scale integrated shopping centers by developing new shopping centers in big cities and major provincial tourist destinations. This included the acquisitions of shopping centers such as Central Chiangmai Airport (1996), centralwOrld (2002), Central Rattanathibet (2003), Central Udon (2009) and Central Phuket Festival (2015). The expansion journey reached new heights in overseas market and the introduction of new retail format as seen in 2019, with the openings of Central i-City, the first international shopping center of the Company in Malaysia, and Central Village, the first luxury outlet in Thailand.

Committed to sustainable growth, Central Pattana has pursued sources of fund to optimize its currently operated assets. First, it established mutual funds for real-estate leaseholds called CPN Retail Growth Leasehold Property Fund (CPNRF) in 2005 and CPN Commercial Growth Leasehold Property Fund (CPNCG) in 2012 to mobilize funds from domestic and foreign investors eyeing real-estate investment and reap benefits from such investment. At the end of 2017, it converted CPNRF into CPN Retail Growth Leasehold REIT or CPNREIT. Central Pattana serves as the trust manager and property manager for the trust and the fund.

In 2018, Central Pattana acquired 67.5% shares in Grand Canal Land Plc. (GLAND), whose assets consist of 1) The Ninth Tower office building; 2) Unilever House office building, both of which have been transferred to the CPNREIT; 3) G Tower office building; 4) BELLE condominium for sale; and 5) four plots of undeveloped land: two for mixed-use project development and two for residential development.

Throughout its 40 years, Central Pattana has evolved its services to fit with the demands of customers and related parties by transforming shopping centers into the “Center of Life” for all with the following strategies:

- **Innovation and Expansion:** This relies on mixed-use development, piloting the development of shopping center projects in contemporary formats that addresses the needs of all customers, whether customer and community groups in the vicinity, who can drop by regularly, or tourist groups (Thais and foreigners) that desire to relax and pursue impressive experiences at shopping centers. This strategy also embraces the transformation of shopping centers into Centers of Communities, achieved through the Destination Concept. Central Pattana incorporated the looks of new and existing shopping centers through renovation programs each year to turn them into destinations for all customers' activities. Instances are destinations for food, fashion, family activities, sports and health, and meetings of people with shared interests. Central Pattana has also grown its investment model to the development of assorted properties, namely shopping centers, residences, office buildings, and hotels, to supplement mutual value and that to the core shopping center business while optimizing land value. Since 2016, CPN Residence Co., Ltd., a subsidiary, has developed condominium projects around Central Pattana's shopping centers or in their vicinity.

- **Collaboration and Co-Creation:** In its relentless pursuit to deliver novelties, Central Pattana actively sought for business partners in developing shopping centers and related businesses. A case in point is the cooperation with Dusit Thani Plc. in developing the Dusit Central Park Project in Bangkok. Another is its cooperation with IKEA in launching IKEA Bangyai as its first flagship store in Southeast Asia featuring seamless connection with Central Westgate. Another is the joint venture with Right Man Co., Ltd. in launching the TRIBHUM: The Mystic of Three Worlds, a new world-class attraction at Central Phuket. Then there is the cooperation with the Common Ground Group of Malaysia in investing in co-working space in Thailand to connect the shopping center business with office buildings of the future, and its investment in the Grab Thailand business in support of core business growth in the New Economy era. And finally, Central Pattana's joint investment with Mitsubishi Estate Asia (MEA) in Central Village (at 30% shares) to heighten project quality to become ASEAN's outlet leader.

Business Units

Central Pattana's core businesses comprise the development of shopping center and other complementary mixed-use development projects, which include office building, hotel, and residence, to add value to the shopping centers. By the end of 2020, Central Pattana manages 34 shopping centers, 15 in Bangkok Metropolitan Area, 18 in prime provincial areas and one in Malaysia; 10 offices in Bangkok; two hotels, namely Centara Hotel and Convention Center Udon Thani and Hilton Pattaya Hotel; one residential project for rent; and 18 residential projects for sale. Furthermore, Central Pattana invested in CPNREIT and CPNCG, and the properties under both of which are also managed by Central Pattana.

Central Pattana's project development starts from securing strategic locations at reasonable prices and onto conducting feasibility studies, controlling design and construction processes, overseeing lease progress, and finally managing shopping centers and office buildings after commercial openings, which extends to the provision of utilities, security and cleaning services at each site. Furthermore, Central

Pattana operates certain complementary businesses, such as food centers, multi-purpose convention halls, entertainment, and leisure attractions at some shopping centers to accommodate customers. Regarding the hotel business, Central Pattana has employed expert hotel management companies to manage its hotels and maximize benefits from the properties.

Categorized based on sources of revenue in six business groups described as follows:

1. Shopping Centers

Central Pattana's main source of revenue, the shopping center business accounts for more than 81% of the total revenue. Revenue is derived from rental of retail space, utility and security services, cleaning services, rental & services of convention halls, onsite media services, and marketing activities in common area of 34 shopping centers - 15 in Bangkok Metropolitan Area, 18 in prime provincial areas, and one in Malaysia. There are five shopping centers were leased out to CPNREIT in which Central Pattana is the property manager.

Central Pattana continues to develop and expand the shopping center business through opening new shopping centers domestically and internationally, renovation of existing shopping centers to contemporary standards, and enhancing the space utilization in shopping centers to sustain revenue generation. These initiatives resonate Central Pattana's vision to become the "Center of Life", as well as through the implementation of various destination concepts that match the lifestyle desires of customers at all ages and interests. Moreover, Central Pattana shopping centers integrate iconic local heritage and identity as part of their designs. These distinguished features continue to elevate Central Pattana's shopping center as the leader in the shopping complex business.

Central Pattana announced the plan to develop three new mixed-use development projects, namely Central Ayutthaya (open 2021), Central Si Racha (open 2021) and Central Chanthaburi (open 2022), which includes shopping center, convention hall, hotel, office building and residential projects.

Moreover, Central Pattana has major renovation in Central Rama 2 with concept of “The Largest Regional mall - Gateway of South Bangkok” and Central Ramindra with concept of “Living Lab of Ramindra”, which are phase by phase renovation and target to complete in 2022. Central Pattana has rolled out destination concept through minor renovations across country to enhance customers' convenience and experience in shopping centers.

According to its estimated data as of December 31, 2020, Central Pattana has 20% market share of the retail industry in Thailand based on retail gross floor area.



Note: GFA exclude parking lot.
Central Pattana - Project GFA incl. Department Store
Hypermarket - only stand-alone shops excl. hypermarket in malls
Source: Central Pattana

Central Pattana also has other supplementary businesses to the shopping centers that create value-added offers and enhance satisfaction of customer, tenants, society and other related parties. These businesses including:

- Pororo AquaPark Bangkok, the water park located on the 6th floor at Central Bangna decorated with the theme of a famous Korean cartoon series “Pororo: The Little Penguin” and offers new, exciting and memorable experiences to all family members.
- Central Park, a large recreational park located in the same area as Central Rama 2 open to the general public and comprises a health park, children’s playground, activity zone and famous food vendors.
- TRIBHUM: The Mystic of Three Worlds, located at Central Phuket, is a 3D interactive walk through theme park as a result of a joint venture investment by Central Pattana and a partner with accredited expertise.
- Co-working Space under “Common Ground” brand, which opened the first branch in Thailand in 2019 at G Tower, and the second branch at Central World Offices in 2020.
- Investment in Grab Thailand, for supplement its core business and together with improve the service to shoppers and tenants through New Economy concept. Grab’s application would enhance shopping center performance in term of traffic via ride hailing, and increase F&B tenants’ sale via food delivery etc.

2. Offices

The office building business involves the development of office buildings for rent not only for Central Pattana’s complementarity with the shopping centers, but also for its value accretion from the optimization of land use and efficiency of car park management.

The decision to develop an office building in any shopping center area is based on the strategic location together with the demand and supply of office space in that area. The revenues from office building include rental of office space, rental of retail space within the office building, and revenue from utilities services.

At present, Central Pattana manages 10 office buildings on the premises of 1) Ladprao, 2) Pinklao Tower A, 3) Pinklao Tower B, 4) Bangna 5) centralwOrld (Central World Offices), 6) Chaengwattana, 7) Rama 9, 8) The Ninth Towers, 9) Unilever House, and 10) G Tower. Amongst these projects, Central Pattana owns five buildings, four of which are under CPNREIT (Pinklao Tower A, B, The Ninth Towers and Unilever House) and the other under CPNCG (Central World Offices). Tenants of office buildings in Central Ladprao, Central Pinklao, Central Bangna, Central Chaengwattana, and Central Rama 9 projects are mostly operators of businesses that benefit the shopping center business, such as tutorial schools, language and music schools, beauty parlors, and securities brokerage firms. In contrast, Central World Offices, The Ninth Towers, Unilever House and G Tower are grade A office buildings located in the heart of the business district. Their tenants are, therefore, leading Thai and multinational companies.

3. Hotels

The hotel business on the same premises as shopping centers complements the shopping center business in terms value accretion to the overall project by making the most use of properties for the maximum return on investment. Key consideration factors of hotel investment include project location, demand and supply, surrounding environment, and the project's growth potential. The hotel business comprises guest rooms, food outlets, seminar rooms and convention centers to serve the growth of the MICE (Meeting Incentive Convention and Exhibition) industry. Revenue from the hotel business comprises room revenue, sale of food & beverage and rental of units in buildings and service income.

Central Pattana owns two hotels:

- Centara Hotel & Convention Centre Udonthani, formerly known as Charoensri Grand Royal Hotel - a part of Charoensri Complex, acquired by Central Pattana in April 2009 and comprises 259 rooms. Central Pattana has employed an expert hotel management company, namely Central Plaza Hotel, to manage the hotel.
- Hilton Pattaya Hotel consists of 302 rooms, situated in the same complex as Central Pattaya and launched in November 2010. In December 2017, Central Pattana leased it to CPNREIT for 20 years and employed Hilton Hotel Corporation to manage the hotel.

4. Residential Projects

Recognizing the potential of mixed-use development of shopping center projects, Central Pattana has developed residential projects to maximize the benefit of its core business. Hence, a specialized team of executives, experienced personnel and experts was set up to conduct feasibility studies on the development of residential projects and execute other relevant tasks.

CPN Residence Co., Ltd. (CPN Residence), a subsidiary company of Central Pattana, leads the development of residential projects, which starts from selecting strategic locations; conducting feasibility studies from market information and other impact factors to analyze and decide on suitable types of housing project for each location; procuring construction and decorative materials directly from suppliers through fair bidding processes to compare prices and quality and benefit from the economies 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 Central Pattana's procurement procedures and standards. Central Pattana's control systems are also in place to ensure that construction work proceeds as planned and their quality is strictly controlled. Besides undertaking Environmental Impact Assessment (EIA) to address environmental impacts potentially caused by the construction of residential projects and their utility systems, Central Pattana requires that all projects comply with the Building Control Act and minimizes their environmental impacts.

Recently, there are 18 residential projects located next to or in the vicinity of shopping centers:

- 12 Residential Project adjacent to shopping center including 1) ESCENT CHIANGMAI; 2) ESCENT VILLE CHIANGMAI; 3) ESCENT PARK VILLE CHIANGMAI - adjacent to Central Chiangmai; 4) ESCENT KHONKAEN - adjacent to Central Khonkean; 5) ESCENT RAYONG; 6) ESCENT RAYONG II - adjacent to Central Rayong; 7) ESCENT NAKHONRATCHASIMA; 8) ESCENT KORAT - adjacent to Central Korat; 9) ESCENT VILLE CHIANGRAI - adjacent to Central Chiangrai; 10) ESCENT UBONRATCHATHANI - adjacent to Central Ubon; 11) ESCENT HATYAI - adjacent to Central Hatyai; and 12) Belle Grand Rama 9 - adjacent to Central Rama 9.
- Four low-rise projects in area of shopping centers including 1) ESCENT TOWN PHITSANULOK - townhome format, in area of Central Phitsanulok; 2) NINYA KALLAPAPRUEK - twin home format, in area of Central Rama 2; 3) NIRATI CHIANGRAI - detached house format, in area of Central Chiangrai; and 4) NIRATI BANGNA - detached house format, in area of Central Bangna and Central Village.
- Two special niched residential project in prime location with high demand including 1) PHYLL PHAHOL 34 - next to Senanikom BTS station; and 2) NIYHAM BOROMRATCHACHONNANI - luxury single detached house format on Borommaratchachonnani Road.

In December 2020, CPN Residence launched three residential projects in Nakhonratchasima, Rayong and Hatyai, which is the first project in Southern area, these three projects got very good feedback from the market. The Company continues to launch residential projects on vacant land pots next to existing shopping centers of Central Pattana and other potential locations across county under “Residential & Commercial Community” concept, by leveraging on the leading position in retail business together with its experienced real estate team to move forward with business expansion.

5. Food Centers

Food centers are considered an essential element that complements shopping centers. Food centers to provide convenience for customers with a wide variety of affordable, quick and ready-to-serve dishes. Central Pattana generates return from space which was rented out to tenants in food centers.

Central Pattana developed and improved food centers under the concept of Food Destination, includes a wide selection of restaurants to serve various lifestyles such as casual dining, family restaurant, cafe, bakery or take-home food.

6. Investment in Property Fund and REIT (Real Estate Investment Trust)

Central Pattana is the major unit holder of CPNREIT and CPNCG, representing 26.7% and 25.0% of total ownership respectively. It also serves as the property manager and receives monthly fees under management contracts and profit-sharing agreement based on investment proportions. The details are as follows:

- 1) CPNREIT was established on November 29, 2017 and subsequently listed on the Stock Exchange of Thailand on December 14, 2017 with an indefinite expiration date. The trust invests in long-term leasehold rights of properties, namely Central Rama 2 (Partial), Central Rama 3 (Partial), Central Pinklao (Partial) and its integrated office towers, Central Chiangmai Airport (Partial), Central Pattaya (Partial) and Hilton Pattaya Hotel.

CPNRF had been converted into CPNREIT according to the resolution of the Board Meeting No. 4/2017 on May 31, 2017. It approved the conversion based on the interest of CPNRF unitholders, who would enjoy the income tax incentive and VAT exemption for property fund, specific business tax and stamp duty. Moreover, the privileges on the registration of related right and juristic acts due to the conversion will end on December 31, 2017.

On March 1 and 2, 2020, CPNREIT completely invested in The Ninth Towers Office Building Project and Unilever House Office Building Project respectively. On March 2, 2020, the registration with the land office for acceptance of the transfer of leasehold rights in the immovable properties of both projects from GLAND Office Leasehold Real Estate Investment Trust was successfully completed. In this regard, the investment value is Baht 7,430 mn. The fair value of the invested leasehold rights of CPNREIT's assets stood at Baht 68,270 mn by the end of 2020.

CPNREIT is managed by CPN REIT Management Company Limited, a subsidiary of Central Pattana, as the REIT manager. It appointed Central Pattana as property manager. CPN Pattaya Hotel Co., Ltd., a subsidiary of Central Pattana, is a sub-lessee of Hilton Pattaya Hotel, which remains under the management of Hilton Hotels Corporation. Siam Commercial Bank Asset Management Co., Ltd., acts as the trustee and the Thailand Securities Depository Co., Ltd. (TSD) acts as the registrar.

- 2) CPNCG was registered on September 13, 2012, with an 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. CPNCG has invested in parts of Central World Offices. The fair value of the invested leasehold rights of the assets stood at Baht 5,635 mn by the end of 2020.

SCB Asset Management Company Limited (SCBAM) acts as the management company, Kasikorn Public Company Limited acts as the mutual fund supervisor, the Siam Commercial Bank Public Company Limited acts as the registrar, and Central Pattana acts as the property manager.

As the property manager, Central Pattana is entitled to monthly management fee from the fund according to the contractual agreement between the fund and the property manager.

Product Acquisition

In acquiring products, the process for project development is as follows:

Acquiring Land for Mixed-used Property Development

Central Pattana has a policy to develop new projects or take over existing shopping centers or related businesses operating in densely populated areas that can be acquired by purchase or rent in locations where it is projected to sustain potential rapid growth with low risk. Major considerations in the acquisition of land or projects are:

- Positioning of the site, including location, transportation, and adjacent land use
- Size, shape and type of land ownership
- Public utilities that will facilitate land development
- Existing use of the land, such as industrial or residential zone
- Growth trends with consideration given to population growth, consumer spending, amount and income of the population, especially the target clientele and the matching of demand and supply estimation
- Land use constraints and related laws such as city planning or retail business laws
- Land pricing and possibility of acquisition. Central Pattana has divided means of acquisition of high business potential land as follows:
 - 1) **Outright Purchase** where the price is reasonable and the site is appropriate for development into a shopping center or related businesses.
 - 2) **Rental** where the land is located on a high-potential site, but the landowner is unwilling to sell the land outright or the land price is so high that it is not worth buying outright or the landowner is not interested in a joint venture.
 - 3) **Joint Venture with Landowner** where it is a condition of the landowner and the site has high business potential. However, every site Central Pattana has acquired for development is usually the best in the area and the price of acquisition is not above the market price.

Feasibility Study

Market Feasibility Study

To minimize risk and expedite returns, Central Pattana carefully considers the market share, competition landscape, characteristics of customer groups, and market trends such as customers' needs, merchandise supplies, product and shop specification, as well as the process of determining the right price in line with marketing plans.

Technical Analysis and Structural Studies

In determining unique and distinctive characteristics of the shopping center that will draw customers and in assigning appropriate structural components in respond to target group needs and the local market status.

Financial Feasibility Analysis

To study returns on investment (ROIs) and funding sources to ensure that a given ROI is attractive and no less than Central Pattana's threshold rate.

Selection of Contractors

For new projects, Central Pattana emphasizes the quality and standard of construction and examines contractors' track records and performances in quality and standard of construction, financial potential, responsibility of work, and process and new production technology that can lower costs

and shorten construction time. As for the selection process, Central Pattana puts each project up for bidding with no less than three bidders in a closed-bid process. Comparison is made with the predetermined budget and the medium or market price assessed by an independent workload surveyor. The timeframe for construction must follow Company plans and adhere to clear and transparent procurement rules and regulations.

Procedure and Technique for Construction Management

Though the procedures and construction technology are the responsibility of the contractor, Central Pattana also hires project and system engineers as consultants to monitor and control work. At the same time, it also studies the technology along with the contractor so as to develop new construction techniques to lower costs and shorten construction time. Central Pattana also applies value engineering to assist in the design and building phase of the project, which has allowed the Company to cut down on construction costs yet still maintain the quality and standard. Furthermore, Central Pattana has become a member of the International Council of Shopping Centers (ICSC) so as to receive data and information that are always updated and useful for the construction of Central Pattana's shopping centers.



Assets under Management

Retail Properties

Shopping Center	Year of Operation	Development ³	Land Ownership ⁴ (Year Expire)	Investment Cost ⁵ as end of 2020 (Baht mn)	Total Project GFA ⁶ (sq.m.)
1. Central Ladprao	December 1982	G	L (2028)	4,794	310,000
2. Central Ramindra	November 1993	G	L (2023)	682	86,000
3. Central Pinklao ¹	March 1995	G	L (2027)	4,697	370,000
4. Central Marina	July 1995	G	L (2035)	1,456	70,000
5. Central Chiangmai Airport ¹	March 1996 ²	A	F	3,589	250,000
6. Central Rama 3 ¹	October 1997	G	F	3,764	188,000
7. Central Bangna	December 2001 ²	A	F	5,807	500,000
8. Central Rama 2 ¹	December 2002	G	L (2055)	9,486	273,000
9. Central World	December 2002 ²	A	L (2040)	15,555	830,000
10. Central Rattanaibet	December 2003 ²	A	F&L (2034)	2,380	140,000
11. Central Chaengwattana	November 2008	G	F	5,459	310,000
12. Central Pattaya Beach ¹	January 2009	G	F&L (2038)	4,764	210,000
13. Central Udon	April 2009 ²	A	F	4,648	250,000
14. Central Chonburi	May 2009	G	F&L (2027)	3,647	156,000
15. Central Khonkaen	December 2009	G	F	3,999	200,000
16. Central Chiangrai	March 2011	G	F	2,272	110,000
17. Central Phitsanulok	October 2011	G	F	1,557	100,000
18. Central Rama 9	December 2011	G	L (2040)	5,213	214,000
19. Central Suratthani	October 2012	G	F	2,305	130,000
20. Central Lampang	November 2012	G	L (2041)	1,160	110,000
21. Central Ubon	April 2013	G	F	1,845	151,000
22. Central Chiangmai	November 2013	G	F	4,287	260,000

Date as of December 31, 2020

Leasable Area (sq.m.)	Occupancy Rate (%)	No. of Tenants ⁷	Parking Space (vehicles)	Food Centers ⁸	Convention Hall Space (sq.m.)	Other Mixed-use Developments		
						Office	Hotel	Residential
43,446	97	204	3,000		4,500	●		
17,163	92	74	1,000					
62,987	100	269	3,500	●		●		
17,173	91	82	400	●				
75,559	94	262	2,300	●	4,800			
53,332	97	231	2,300	●				
64,163	85	254	3,250	●		●		●
92,199	95	295	3,200	●	4,100			
195,869	91	408	7,000	●		●		
75,388	96	177	2,000	●				
65,412	90	273	3,300	●	4,200	●		
56,869	86	182	2,000	●			●	
71,930	91	221	2,000	●	5,000		●	
42,003	94	191	2,040	●				
46,593	93	241	2,100	●	4,100			●
26,518	95	120	1,000	●				●
26,586	97	140	1,440	●				
59,016	91	207	2,400			●		
30,925	95	130	1,400	●	4,700			
19,685	95	89	2,000	●				
29,144	98	142	1,500	●				●
67,782	94	225	3,500	●				●

Shopping Center	Year of Operation	Development ³	Land Ownership ⁴ (Year Expire)	Investment Cost ⁵ as end of 2020 (Baht mn)	Total Project GFA ⁶ (sq.m.)
23. Central Hatyai	December 2013	G	F	4,960	295,000
24. Central Samui	March 2014	G	L (2043)	1,947	76,000
25. Central Salaya	August 2014	G	F & L (2044)	2,646	185,500
26. Central Rayong	May 2015	G	F	2,698	155,000
27. Central Phuket					
- Central Phuket Festival	June 2015 ²	A	L (2056)	8,297	137,000
- Central Phuket Floresta	September 2018	G	L (2056)	5,692	242,800
28. Central WestGate	August 2015	G	L (2043)	7,108	352,000
29. Central EastVille	November 2015	G	F & L (2044)	3,889	150,000
30. Central Nakhon Si	July 2016	G	F	1,848	90,000
31. Central Korat	November 2017	G	F	4,615	233,000
32. Central Mahachai	November 2017	G	F	2,843	131,250
33. Central i-City	March 2019	G	F	6,151	259,000
34. Central Village	August 2019	G	F	2,732	80,000
Total				148,792	7,604,550

Leasable Area (sq.m.)	Occupancy Rate (%)	No. of Tenants ⁷	Parking Space (vehicles)	Food Centers ⁸	Convention Hall Space (sq.m.)	Other Mixed-use Developments		
						Office	Hotel	Residential
64,744	84	202	2,500	●	5,000			●
31,953	83	79	600	●				
38,345	95	174	1,600	●				
30,755	91	164	2,000	●	1,000			●
49,678	90	147	1,100	●				
33,272	90	116	3,200	●				
82,899	99	353	4,000	●	5,000			
36,057	95	183	1,824	●				
20,910	94	130	1,500	●				
48,971	80	242	3,600	●	3,300			●
24,918	93	153	1,500	●				
83,231	85	216	3,000					
21,313	97	118	1,500	●				
1,806,788	92	6,694	80,554		45,700			

Remarks: ¹ Assets leased from Central Pattana to CPNREIT include the following leasable areas:

- 42% in Central Pinklao, ending May 2027
- 81% in Central Rama 3, ending August 2045 (extendable twice for 30 years each)
- 96% in Central Rama 2, ending August 2055
- 49% in Central Chiangmai Airport, ending April 2044
- 50% in Central Pattaya, ending August 2037

² Year of acquisition

³ Development (A = Acquisition), (G = Greenfield)

⁴ Land Ownership (F = Freehold), (L = Leasehold)

⁵ Includes investment of office/residential/hotel components. Excludes annual lease payments and investments of the assets leased/subleased to CPNREIT.

⁶ GFA including NLA, parking, hall, common area, office and hotel.

⁷ Excludes small retail shop e.g. kiosk.

⁸ Only food centers managed by the Company.

Office Properties

Date as of December 31, 2020

Office Building	Year of Operation	Development ⁴	Land Ownership ⁵	Leasable Area (sq.m.)	Occupancy Rate (%)	No. of Tenants
1. Ladprao	December 1982	G	L (2028)	16,171	91	71
2. Pinklao Tower A ¹	March 1995	G	L (2027)	22,762	83	52
3. Bangna	December 2001 ³	A	F	10,007	91	26
4. Central World Offices ²	November 2004 ³	A	L (2040)	84,356	75	69
5. Pinklao Tower B ¹	March 2006	G	L (2027)	11,627	95	53
6. Chaengwattana	March 2009	G	F	19,942	92	36
7. Rama 9	December 2011	G	L (2040)	7,378	93	31
8. The Ninth Towers Grand Rama 9 ⁶	September 2018 ³	A	F	64,862	77	73
9. Unilever House Grand Rama 9 ⁶	September 2018 ³	A	F	21,922	93	1
10. G Tower Grand Rama 9	September 2018 ³	A	L (2050)	73,554	98	31
Total				332,581	90	443

Remarks: ¹ Assets leased from Central Pattana to CPNREIT with the lease terms ending in December 2037.

² 97% of Central World Offices were subleased to CPNCG from September 2012 to September 2032 (part 1) and from December 2012 to December 2032 (part 2).

³ Year of acquisition

⁴ Development (A = Acquisition), (G = Greenfield)

⁵ Land Ownership (F = Freehold), (L = Leasehold)

⁶ GLANDRT had transferred leasehold right to CPNREIT, and termination of GLANDRT in March 2019 as following details:

- 87% leaseable area of The Ninth Towers Grand Rama 9, ending in April 2047
- 85% leaseable area of Unilever House Grand Rama 9, ending in November 2034

Hotel Properties

Date as of December 31, 2020

Hotel	Year of Operation	No. of Guest Rooms	Occupancy Rate (%) Full Year Average
1. Centara Hotel & Convention Centre Udon Thani ¹	April 2009 ³	259	42
2. Hilton Pattaya ²	November 2010	302	18 ⁴

Remarks: ¹ Central Pattana is the project owner and Central Plaza Hotel Plc is the hotel manager.

² CPNREIT has the leasehold rights from December 2017 to August 2037 and Hilton Hotel Corporation is the hotel manager.

³ Year of acquisition

⁴ Hilton Pattaya was temporary closure for renovation purpose during the year and gradually re-opened guest room after completion hence, occupancy rate was at 60.5% of room availability at the end of 2020.

Residential Properties for Rent

Date as of December 31, 2020

Residential for Rent	Year of Operation	Leasable Area (sq.m.)	Occupancy Rate (%) Full Year Average
1. Central City Residence ¹	December 2001 ²	1,567	27

Remarks: ¹ Central Pattana owns strata-title of 11 units of the condominium.² Year of acquisition

Residential Properties for Sale

Date as of December 31, 2020

Condominium Projects	Year of Launch	Year of Transfer	Total No. of Units	Pre-sales (%)	Units Transferred (%)
1. ESCENT CHIANGMAI	2016	2018	400	100	100
2. ESCENT KHONKAEN	2016	2018	408	100	100
3. ESCENT RAYONG	2016	2018	419	100	100
4. ESCENT VILLE CHIANGMAI	2017	2019	451	100	100
5. ESCENT VILLE CHIANGRAI	2017	2019	313	100	100
6. ESCENT NAKHONRATCHASIMA	2017	2019	380	100	100
7. PHYLL PHAHOL 34	2018	2019	358	40	35
8. ESCENT UBONRATCHATHANI	2018	2020	395	95	82
9. ESCENT PARK VILLE CHIANGMAI	2019	2020	450	60	43
10. ESCENT RAYONG II	2020	2023	420	20	N/A
11. ESCENT KORAT	2020	2023	395	30	N/A
12. ESCENT HATYAI	2020	2023	665	50	N/A
13. Belle Grand Rama 9	2018 ¹	2018	1991	99	99

Low-rise Projects	Year of Launch	Year of Transfer	Total No. of Units	Units Ready for Sales & Transfer	Units Transferred
1. NIYHAM BOROMRATCHACHONNANI	2018	2019	71	10	9
2. NINYA KALLAPAPRUEK	2020	2020	144	30	28
3. ESCENT TOWN PHITSANULOK	2020	2020	358	37	35
4. NIRATI CHIANGRAI	2020	2020	183	17	9
5. NIRATI BANGNA	2020	2020	156	9	4

Remark: ¹ Year of acquisition

Future Project

Domestic

01 Central Ayutthaya

The Prosperity of the Capital



Location:

On AH1, the Asian Highway, at Ayothaya Road (Route 2053), in Khlong Suan Phlu subdistrict, Phra Nakhon Si Ayutthaya district and province (near the provincial administration center). The gateway province to the North perfectly suits those traveling from Bangkok and periphery to upper central provinces and the North with more than 100,000 vehicles use this route daily.

Size:

Located on 47 rai of land. The shopping center's GFA totals 68,000 sq.m.

Potential:

Ayutthaya is the hub of the Upper Central Region, embracing neighboring Ang Thong, Sing Buri, Chainat, and Suphan Buri provinces, along with their 2.5 mn inhabitants. Ayutthaya's industries are an extension of those in Bangkok Metropolis. Named as a World Heritage by UNESCO, Ayutthaya and its prosperity as well as vibrancy could be restored by applying the Kyoto Model to its push as another top destination of the world. Today the province boasts some 8.2 mn tourists a year. The envisaged mixed-use project is made up of a shopping center, a conference center, tourist attractions, public space for all community members, residences, and a hotel.

Progress:

Project is under construction phase and expected to open in 2021.

Investment: Approximately Baht 6,200 mn

02 Central Si Racha

Living Green in Smart City of EEC Center



Location:

On the Sukhumvit Road patch with the highest density of purchasing power in Si Racha. Around the project lie housing estates, grade A+ condominiums, international schools, and international hospitals, altogether some 1,300 projects.

Size:

Located on 27 rai of land. The shopping center's GFA totals 71,000 sq.m.

Potential:

A most comprehensive mixed-used project in the heart of Si Racha, which would enhance its economy and urbanization lifestyles while promoting it as EEC's MICE hub of the future. The mixed-use project consists of a semi-outdoor lifestyle shopping center, a thematic mall, an outdoor walking street, a world-class conference center, a hotel, a serviced apartment, an office building, and a learning center for kids.

Progress:

Project is under construction phase and expected to open in 2021.

Investment: Approximately Baht 4,200 mn

03 Central Chanthaburi

The Shining Gem of EEC Plus 2



Location:

On Treerat Road, connects to Sukhumvit Road and alongside the Phakdi Rambhai Canal. It borders the provincial CBD, surrounded by residential patches, schools, and notable hospitals, in an area known for high purchasing power of Chanthaburi.

Size:

Located on 46 rai of land, with a shopping center's GFA totals 64,000 sq.m.

Potential:

This marks the maiden, massive mixed-used project investment in the province, marked by high potential and readiness as the world capital of tropical fruits, and a hub of the world's gemstone center and largest gemstone trade. Chanthaburi is a burgeoning tourist town of the secondary group of provinces.

Progress:

Project is under construction phase and expected to open in 2022

Investment: Approximately Baht 3,500 mn

International

To establish and maintain a strong foundation for sustainable growth, Central Pattana has been exploring and studying on overseas investment opportunities especially in Asian countries with high economic potential, such as Malaysia and Vietnam, 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 Central Pattana'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.

Overseas projects include the renovation of existing shopping centers as well as development of brand-new projects in areas with great potential. To this end, Central Pattana may undertake sole proprietorship or joint investment with overseas business allies so as to penetrate new markets rapidly, efficiently, and robustly to boost competitiveness in a given country. Moreover, Central Pattana obtains beneficial data from the Central Group, equipped with extensive experience in overseas market, which has enabled Central Pattana to analyze and develop overseas projects more efficiently.

Residential for Sale

1. Condominium Projects

Project	ESCENT RAYONG II	ESCENT KORAT	ESCENT HATYAI
Status	Under construction phase (Pre-sale end of 2020)		
Location	Adjacent to Central Rayong	Adjacent to Central Korat	Adjacent to Central Hatyai
Land Area	2 rai 1 ngan 69.5 sq.w.	1 rai 3 ngan 41.2 sq.w.	3 rai 0 ngan 34 sq.w.
Type	23 stories 1 building	33 stories 1 building	36 stories 1 building
No. of Units	420 units	395 units	665 units
Unit Size	28-68 sq.m.	28-95 sq.m.	27-56 sq.m.
Construction Period	Approximately two years, ready for transfer in 2023		
Target Customer	Local residents and employees working in surrounding areas who buy property for their own use		
Project Value	Total value approximately Baht 3,400 mn		
Pre-sales (% of Total)	20%	30%	50%
Transferred (% of Total)	N/A	N/A	N/A

2. Low-rise Projects

Project	NINYA KALLAPAPRUEK	ESCENT TOWN PHITSANULOK
Status	Under construction phase (Open for sale since 2020)	
Location	Kanlapapruerk Road, Bangkai	Plai Chumpon Subdistrict, Mueang District, Phitsanulok
Land Area	26 rai 0 ngan 52.4 sq.w.	42 rai 0 ngan 62.4 sq.w.
Type	Twin House	Townhome
No. of Units	144 units	358 units
Unit Size	35.90-44.30 sq.w.	Start 21.7 sq.w.
Usable Area	159-230 sq.m.	141 / 165 sq.m.
Construction Period	Construction in phase, completed and transferred since 2020	
Target Customer	Local residents who buy property for their own use	
Project Value	Approximately Baht 1,500 mn	Approximately Baht 1,000 mn
Transferred (units)	28 units	35 units



▲ NINYA KALLAPAPRUEK



▲ ESCENT TOWN PHITSANULOK



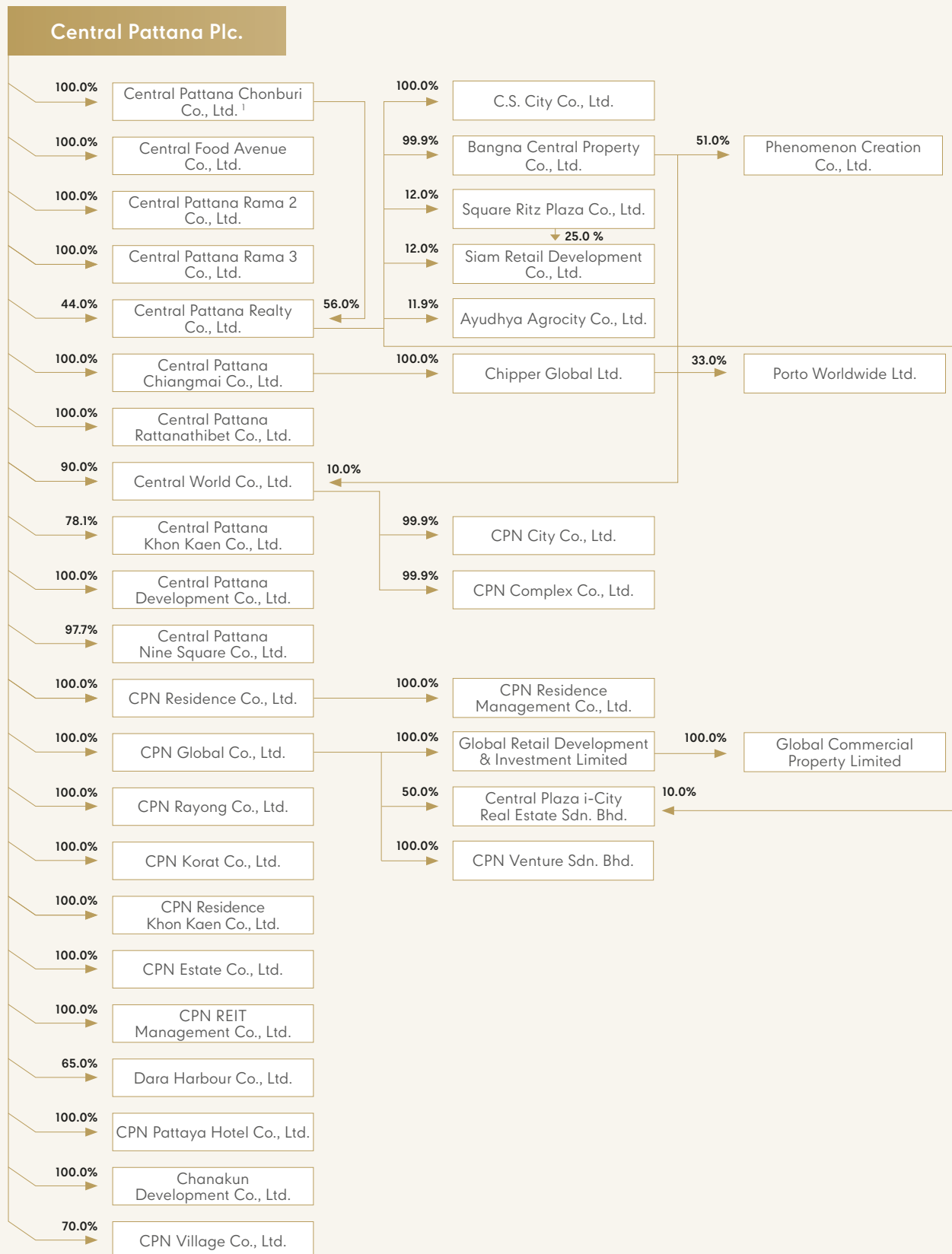
NIRATI
CHIANGRAI



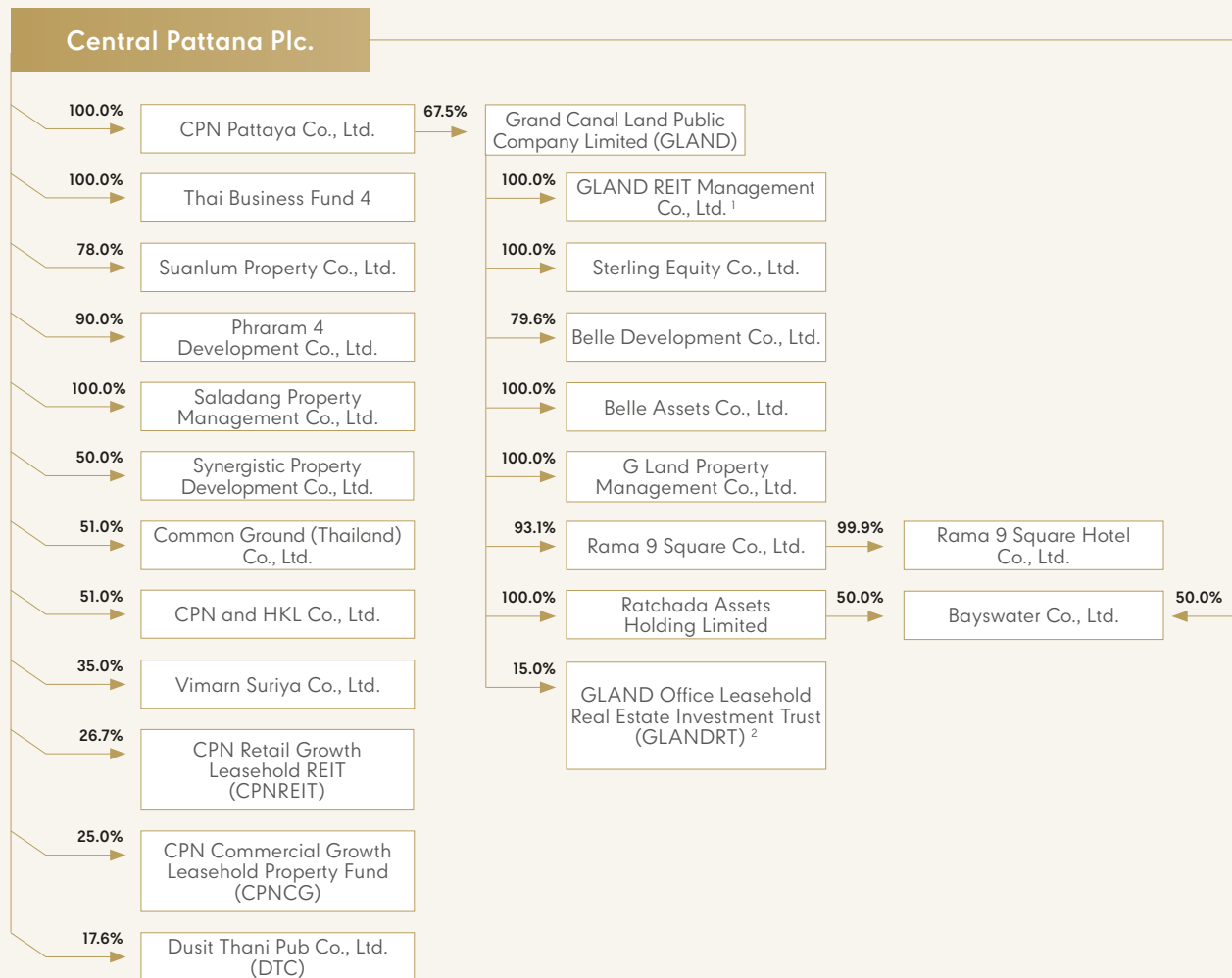
NIRATI
BANGNA

Project	NIRATI CHIANGRAI	NIRATI BANGNA
Status	Under construction phase (Open for sale since 2020)	
Location	Bypass Road-Wiang Burapha, Rop Wiang Subdistrict, Mueang Chiang Rai District	Bangna Trad road km12, Bangpliyai, Bangpli, Samutprakarn
Land Area	48 rai 1 ngan 99.7 sq.w.	39 rai 2 ngan 31.4 sq.w.
Type	Detached House	Detached House
No. of Units	183 units	156 units
Unit Size	Start 50 sq.w.	50.6-75.3 sq.w.
Usable Area	162-329 sq.m.	162-252 sq.m.
Construction Period	Construction in phase, completed and transferred since 2020	
Target Customer	Local residents who buy property for their own use	
Project Value	Approximately Baht 1,000 mn	Approximately Baht 1,200 mn
Transferred (units)	9 units	4 units

Investment Structure (1/2)



Investment Structure (2/2)



Remarks: ¹ Company is in the process of liquidation.

² Company is discontinued and in the process of liquidation.

Revenue Structure

Unit: mn Baht

Type of Business / Operated By	% of Shareholding	Year 2016		Year 2017		Year 2018		Year 2019		Year 2020	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Shopping Centers		24,537	81.5	25,340	79.3	27,934	77.5	29,918	75.6	22,005	76.7
• Central Pattana Plc.											
• Central Pattana Chiangmai Co., Ltd.	100.0										
• Bangna Central Property Co., Ltd.	100.0										
• Central Pattana Rama 3 Co., Ltd.	100.0										
• Central Pattana Rama 2 Co., Ltd.	100.0										
• Central Pattana Rattanathibet Co., Ltd.	100.0										
• CPN Pattaya Co., Ltd.	100.0										
• Central World Co., Ltd.	100.0										
• Central Pattana Khon Kaen Co., Ltd.	78.1										
• Central Pattana Realty Co., Ltd.	100.0										
• Central Pattana Nine Square Co., Ltd.	97.7										
• Central Pattana Development Co., Ltd.	100.0										
• CPN Rayong Co., Ltd.	100.0										
• CPN Korat Co., Ltd.	100.0										
• CPN Global Co., Ltd.	100.0										
• CPN Village Co., Ltd.	70.0										
Offices		667	2.2	690	2.2	699	1.9	717	1.8	561	2.0
• Central Pattana Plc.											
• Bangna Central Property Co., Ltd.	100.0										
• Central Pattana Nine Square Co., Ltd.	97.7										
Hotels		998	3.3	1,097	3.4	1,208	3.4	1,121	2.8	306	1.1
• Central World Co., Ltd.	100.0										
• CPN Pattaya Co., Ltd.	100.0										
Residential Project		1	0.0	1	0.0	2,680	7.4	2,576	6.5	2,040	7.1
• Bangna Central Property Co., Ltd.	100.0										
• CPN Residence Co., Ltd.	100.0										
Food Centers		1,389	4.6	1,631	5.1	727	2.0	847	2.1	443	1.5
• Central Pattana Plc.											
• Central Food Avenue Co., Ltd.	100.0										
• Central Pattana Chiangmai Co., Ltd.	100.0										
• Bangna Central Property Co., Ltd.	100.0										
• Central Pattana Rama 2 Co., Ltd.	100.0										
• Central Pattana Rattanathibet Co., Ltd.	100.0										
• Central World Co., Ltd.	100.0										
• Central Pattana Development Co., Ltd.	100.0										
• CPN Pattaya Co., Ltd.	100.0										
• CPN Rayong Co., Ltd.	100.0										
• Central Pattana Realty Co., Ltd.	100.0										
• Central Pattana Rama 3 Co., Ltd.	100.0										
• Central Pattana Khon Kaen Co., Ltd.	100.0										
• CPN Korat Co., Ltd.	100.0										
• CPN Village Co., Ltd.	70.0										
Grand Canal Land Plc.	67.5					519	1.4	1,984	5.0	1,460	5.1
Investment Income		27	0.1	23	0.1	26	0.1	54	0.1	91	0.3
Share of Profits from Investment in Associates and Joint Ventures		853	2.8	839	2.6	1,055	2.9	1,232	3.1	785	2.7
Others		1,600	5.3	2,309	7.2	1,203	3.3	1,134	2.9	1,015	3.5
Total Revenues¹		30,114	100.0	31,956	100.0	36,051	100.0	39,583	100.0	28,705	100.0

Remark: ¹ Excluding non-recurring items and impact from Financial Reporting Standard TFRS16

Chapter

15

Summary of Associate Companies with Ownership of 10% or More

Summary of Associate Companies with Ownership of 10% or More

Company	Registered Capital (Baht)	Shopping Center
1. Central Food Avenue Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	5,000,000	
2. Central Pattana Realty Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	1,003,658,000	Central Chonburi Central Ladprao (Partially)
3. Central Pattana Rama 2 Company Limited 160 Rama 2 Rd., Samaedum, Bangkhuntian, BKK 10150 Tel +66 (0) 2866 4300	1,500,000,000	Central Rama 2
4. Central Pattana Chiangmai Company Limited 2 Mahidol Rd., 252-252/1 Wualai Rd., Haiya, Muang, Chiangmai 50100 Tel +66 (0) 5399 9199	1,000,000,000	Central Chiangmai Airport
5. Central Pattana Rattanathibet Company Limited 562, 566 Rattanathibet Rd., Bangkrasor, Muang, Nontaburi 11000 Tel +66 (0) 2834 6000	800,000,000	Central Rattanathibet
6. Central Pattana Rama 3 Company Limited 79 Sathupradit Rd., Chongnonsee, Yannawa, BKK 10120 Tel +66 (0) 2649 6000	324,738,000	Central Rama 3
7. Central Pattana Khon Kaen Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	2,000,000,000	Central Khonkaen
8. Central Pattana Nine Square Company Limited 9/9 Rama 9 Rd., Huai Khwang, BKK 10310 Tel +66 (0) 2103 5999	3,200,000,000	Central Rama 9
9. Bangna Central Property Company Limited 587, 589 Bangna-Trad Rd., Bangna, BKK 10260 Tel +66 (0) 2763 6000	1,160,563,400	Central Bangna
10. CPN Pattaya Company Limited 999/9, Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	2,500,000,000	Central Pattaya
11. Central World Company Limited 4, 4/1-4/2, 4/4 Ratchadumri Rd., Patumwan, BKK 10330 Tel +66 (0) 2640 7000	2,511,938,100	Central Udon Central Phitsanulok Central Ubon Central Samui
12. Siam Retail Development Company Limited 587, 589, 589/7-9 Ramindra Rd., Kannayao, BKK 10230 Tel +66 (0) 2947 5000	500,000,000	

Business					
Food Center	Office	Residential Development	Real Estate Development	Property Investment / Holding Company	Other
Central Chaengwattana Central Pinklao (Partially) Central Bangna					
Central Chonburi					Service Facilities in Central Ladprao (Partially)
Central Rama 2					
Central Chiangmai Airport					
Central Rattana Thibet					
Central Rama 3 Central Pinklao (Partially)					
Central Khonkaen					
	Central Rama 9				
	Central Bangna	Central City Residence			Water Park: Central Bangna
Central Pattaya				Investment in 67.5% of GLAND	Hilton Pattaya
Central Udon Central Phitsanulok Central Ubon Central Samui					Centara Hotel & Convention Centre Udon Thani
			●		

Company	Registered Capital (Baht)	Shopping Center
13. Square Ritz Plaza Company Limited 587 Ramindra Rd., Kannayao, BKK 10230 Tel +66 (0) 2947 5000	125,000,000	
14. Ayudhya Agrocit Company Limited 3/10 M.17 Bangna-Trad Rd., Bangpleeyai, Bangplee, Samutprakarn 10540 Tel +66 (0) 2399 4510	400,000,000	
15. CPN Retail Growth Leasehold REIT Managed by CPN REIT Management Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	29,653,382,715	
16. CPN Commercial Growth Leasehold Property Fund Managed by SCB Asset Management Company Limited SCB Park Plaza 1, 7 th -8 th Fl., 18 Ratchadapisek Rd., Chatuchak, BKK 10900 Tel +66 (0) 2949 1500	4,394,381,700	
17. 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	5,443,793,158	
18. CPN Residence Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	400,600,000	
19. Central Pattana Developmennt Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	700,000,000	Central Chiangrai Central Surat Central Lampang
20. CPN Global Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	2,500,000,000	
21. CPN City Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	2,863,485,000	
22. CPN Complex Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	2,341,600,000	

Business					
Food Center	Office	Residential Development	Real Estate Development	Property Investment / Holding Company	Other
			●		
			●		
				<u>Leasehold Investment:</u> Centra Rama 2 Central Rama 3 Central Pinklao Central Chiangmai Airport Central Pattaya Beach <u>Hotel:</u> Hilton Pattaya <u>Office:</u> Pinklao Tower A&B The Ninth Towers Unilever House and Parking Areas	
				Leasehold Investment in Central World Offices	
				centralwOrld	
		Residential development for Sale			
Central Chiangrai Central Surat Central Lampang					
			●	Companies in Malaysia	
			●		
			●		

Company	Registered Capital (Baht)	Shopping Center
23. CPN Rayong Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	1,000,000,000	Central Rayong
24. CPN Korat Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	1,000,000,000	Central Korat
25. CPN Residence Khon Kaen Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	200,000,000	
26. C.S. City Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	500,000,000	
27. CPN Estate Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	1,000,000	
28. Phenomenon Creation Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	400,000,000	
29. CPN REIT Management Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	10,000,000	
30. Vimarn Suriya Company Limited Dusit Thani Building, 5 th Fl., 946 Rama IV Rd, Silom, Bangrak, BKK 10500 Tel +66 (0) 2200 9999	1,100,000,000	
31. Suanlum Property Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	172,000,000	
32. Saladang Property Management Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	400,000	
33. Phraram 4 Development Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	1,000,000	
34. Dara Harbour Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	400,000,000	
35. Synergistic Property Development Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	465,000,000	
36. CPN Pattaya Hotel Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	200,000,000	

Business					
Food Center	Office	Residential Development	Real Estate Development	Property Investment / Holding Company	Other
Central Rayong					
Central Korat					
			●		
			●		
			●		
					Theme Park Developer at Central Phuket
					Management of Real Estate Investment Trust (REIT)
			●		
			●		
			●		
			●		
			●		
			●		
			●		
					To sublease and conduct a business of Hilton Pattaya Hotel which is under CPNREIT

Company	Registered Capital (Baht)	Shopping Center
37. Global Retail Development & Investment Limited 30 th Fl., Jardine House One Connaught Place, Central, Hong Kong	HKD 10,000	
38. Global Commercial Property Limited 30 th Fl., Jardine House One Connaught Place, Central, Hong Kong	HKD 10,000	
39. CPN Ventures Sdn. Bhd. Unit 30-01, 30 th Fl., Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	MYR 10,000,000	
40. Central Plaza i-City Real Estate Sdn. Bhd. Unit 30-01, 30 th Fl., Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	MYR 458,000,000	
41. CPN Residence Management Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	1,000,000	
42. Chanakun Development Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	70,000,000	
43. CPN Village Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	1,000,000	Central Village
44. Dusit Thani Pub Company Limited Dusit Thani Building, 5 th Fl., 946 Rama IV Rd., Silom, Bangrak, BKK 10500 Tel +66 (0) 2200 9999	850,000,000	
45. Grand Canal Land Pub Company Limited 33/4 Rama IX Rd., Huaykwang, BKK 10310 Tel +66 (0) 2246 2323	6,535,484,202	
46. Belle Development Company Limited 33/4 Rama IX Rd., Huaykwang, BKK 10310 Tel +66 (0) 2246 2323	2,064,261,300	
47. Belle Assets Company Limited 33/4 Rama IX Rd., Huaykwang, BKK 10310 Tel +66 (0) 2246 2323	11,000,000	
48. Sterling Equity Company Limited 33/4 Rama IX Rd., Huaykwang, BKK 10310 Tel +66 (0) 2246 2323	1,800,000,000	
49. G Land Property Management Company Limited 33/4 Rama IX Rd., Huaykwang, BKK 10310 Tel +66 (0) 2246 2323	500,000,000	
50. Rama 9 Square Company Limited 33/4 Rama IX Rd., Huaykwang, BKK 10310 Tel +66 (0) 2246 2323	1,900,000,000	

Business					
Food Center	Office	Residential Development	Real Estate Development	Property Investment / Holding Company	Other
			●		
			●		
					Real estate management consulting and corporate services
			●		
					Management of condominium juristic person and housing estate juristic person
			●		
Central Village					
					Operate hotel business and hotel management service
	The Ninth Towers				
		Belle Grand Rama 9			
		●			
	Unilever House				
			●		
	G Tower				

	Company	Registered Capital (Baht)	Shopping Center
51.	Rama 9 Square Hotel Company Limited 33/4 Rama IX Rd., Huaykwang, BKK 10310 Tel +66 (0) 2246 2323	16,000,000	
52.	Ratchada Assets Holding Limited 33/4 Rama IX Rd., Huaykwang, BKK 10310 Tel +66 (0) 2246 2323	6,000,000	
53.	Bayswater Company Limited 21 Soi Choei Phuang Vibhavadi Rangsit Rd., Chomphon, Chatuchak, BKK 10900 Tel +66 (0) 2273 8838	10,000,000	
54.	Common Ground (Thailand) Company Limited 999/9 Rama I Rd., Patumwan, BKK 10330 Tel +66 (0) 2667 5555	1,000,000	
55.	Chipper Global Limited Commence Chambers P.O. Box 2208, Road Town, Tortola, British Virgin Islands	USD 65,780,000	
56.	Porto Worldwide Limited 2503 Bank of America Tower, 12 Harcourt Road, Central, Hong Kong	USD 199,301,000	
57.	CPN and HKL Company Limited 53 Sivatel Tower 12A Floor Unit 12A03-04 Wireless Road, Lumphini Sub-district, Pathum Wan District, Bangkok 10330	4,000,000	

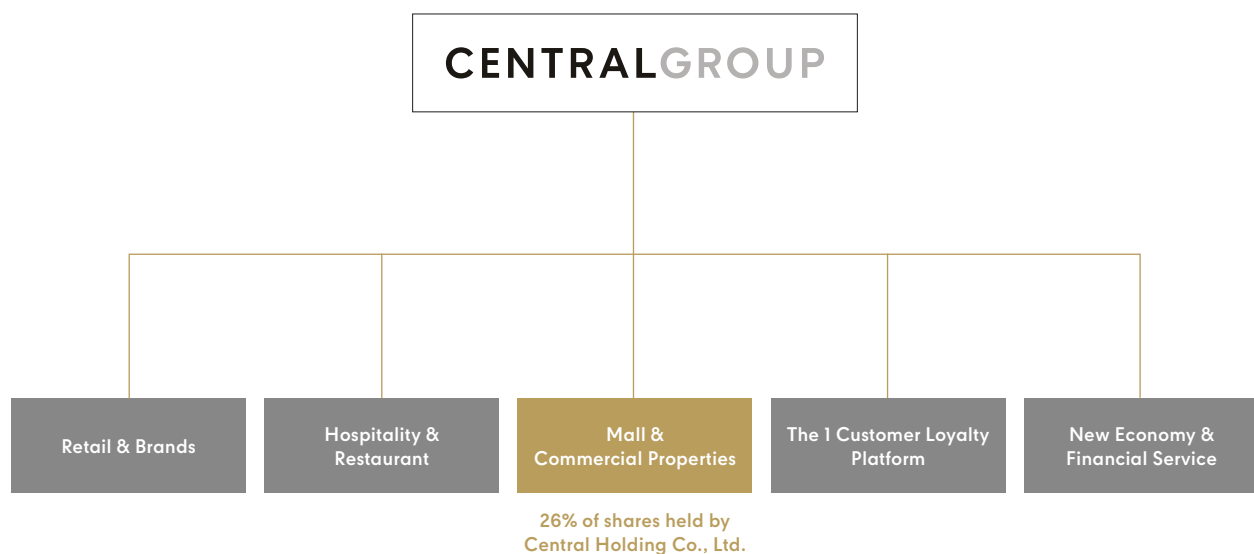
Remark: Central Pattana Chonburi Company Limited and GLAND REIT Management Company Limited are in the process of liquidation.
GLAND Office Leasehold Real Estate Investment Trust (GLANDRT) was discontinued and is in the process of liquidation.

Business					
Food Center	Office	Residential Development	Real Estate Development	Property Investment / Holding Company	Other
			●		
				50% of Bayswater Co., Ltd.	
			●		
					Co-working Space
			●	33% of Proto Worldwide Limited	
					Grab Thailand
			●		

Relationship with the Major Shareholder and Shareholders' Information

Relationship with the Group Business of the Major Shareholder

Central Pattana's major shareholder is Central Holding Co., Ltd., with shareholding proportion of 26%. There is no transaction made with such major shareholder. Central Pattana is one of Central Group's core businesses which comprise five business categories including:



Source: <https://www.centralgroup.com/en/our-business/retail-brands>

Central Pattana's core business is provision of commercial property development, 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 Central Pattana is one of business lines within Central Group, the constant leader in retail business. Central Group encompasses various businesses, ranging from retail business of various brands and products operated in department stores, lifestyle centers, shops of household products, electronics appliances, sports equipment, books and stationery, office supplies, fashion and lifestyle, supermarkets and restaurants. These businesses are Central Pattana's business alliances which are anchor and

retail tenants within Central Pattana's shopping complexes, which help build confidence among other prospects to become new tenants. These help guarantee the success of Central Pattana's projects and therefore, the high profits are yielded to Central Pattana shareholders from such mutual relationship explained above. Central Group has clearly segregated management of individual companies for various affiliates.

When a transaction is engaged with any Central Group affiliate, the prices and terms are subject to market prices on an arm's length basis that Central Pattana practices with other customers in its own best interests.

Top 10 Major Shareholders as at December 31, 2020 are:*

Shareholders	Shares	Shareholding (%)
1. CENTRAL HOLDING CO., LTD.**	1,176,343,960	26.21
2. THAI NVDR CO., LTD.	334,034,221	7.44
3. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED***	97,437,603	2.17
4. SOCIAL SECURITY OFFICE	94,281,500	2.10
5. BBHISL NOMINEES LIMITED***	83,172,700	1.85
6. MR. NITI OSATHANUGRAH	77,050,300	1.72
7. STATE STREET EUROPE LIMITED***	75,504,570	1.68
8. THE BANK OF NEW YORK MELLON***	64,266,112	1.43
9. BANK OF SINGAPORE LIMITED-THB SEG AC***	57,968,648	1.29
10. UBS AG SINGAPORE BRANCH***	56,016,000	1.25
Total	2,116,075,614	47.14

Remarks: * The top ten shareholders are ranked by Thailand Securities Depository Co., Ltd.

** Shareholding of Chirathivat family.

*** 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.

Directors and Executives Holding Central Pattana's shares in 2020, are as follows

No.	Name		Position	No. of Shares as at January 1, 2020		
				Direct	Indirect ¹	Total
1.	Mr. Suthichai	Chirathivat	Chairman	3,312,800	22,293,200	25,606,000
2.	Mr. Karun	Kittisataporn	Lead Independent Director	-	-	-
3.	Mr. Paitoon	Taveebhol	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. Sudhisak	Chirathivat	Director	28,346,400	-	28,346,400
8.	Mr. Sudhitham	Chirathivat	Director	26,764,600	-	26,764,600
9.	Mrs. Nidsinee	Chirathivat ³	Director	12,746,182	-	12,746,182
10.	Mr. Kobchai	Chirathivat	Director	27,265,800	123,000	27,388,800
11.	Mr. Prin	Chirathivat	Director	42,145,895	192,000	42,337,895
12.	Mr. Preecha	Ekkunagul	Director President & CEO	12,529	3,000	15,529
13.	Ms. Wallaya	Chirathivat	Deputy Chief Executive Officer	17,368,900	-	17,368,900
14.	Mr. Suthipak	Chirathivat	Senior Executive Vice President, Office of the President	25,689,600	-	25,689,600
15.	Ms. Naparat	Sriwanvit	Senior Executive Vice President, Finance, Accounting and Risk Management	72,317	24,000	96,317
16.	Mr. Chanavat	Uahwatanasakul	Senior Executive Vice President, Development Workgroup	17,574,866	-	17,574,866
17.	Mr. Lertvit	Pumipitak	Senior Executive Vice President, Property Management	-	-	-

Remarks: ¹ Securities held by a spouse and/or children under the legal age of directors or executive officers.

² Securities allocation in the EJIP Project as disclosed to the SET on March 18, 2020.

³ Appointed as the Director on July 10, 2020.

⁴ Securities allocation in the EJIP Project as disclosed to the SET on April 4, 2019.

Changes in No. of Shares Increased/(Decreased) during 2020			No. of Shares as at December 31, 2020			Shareholding (%) as at December 31, 2020
Direct	Indirect ¹	Total	Direct	Indirect ¹	Total	
-	30,000	30,000	3,312,800	22,323,200	25,636,000	0.57
6,168 ²	-	6,168	6,168	-	6,168	0.00
5,968 ²	-	5,968	5,968	-	5,968	0.00
11,353 ²	-	11,353	11,353	-	11,353	0.00
-	-	-	-	-	-	-
-	-	-	22,645,900	-	22,645,900	0.50
20,000	28,366,400	-	28,366,400	-	28,366,400	0.63
-	-	-	26,764,600	-	26,764,600	0.60
-	-	-	12,746,182	-	12,746,182	0.28
85,000	-	85,000	27,350,800	123,000	27,473,800	0.61
221,000	-	221,000	42,366,895	192,000	42,558,895	0.95
30,859 ⁴	-	30,859	43,388	3,000	46,388	0.00
300,000	-	300,000	17,668,900	-	17,668,900	0.39
(100,000)	-	(100,000)	25,589,600	-	25,589,600	0.57
21,279 ⁴	10,000	31,279	93,596	34,000	127,596	0.00
-	-	-	17,574,866	-	17,574,866	0.39
-	-	-	-	-	-	-

Capital Structure and Dividend Policy

Authorized and Paid-up Share Capital

Central Pattana's capital structure, as at December 31, 2020, was as follows:

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	47.75	Baht

Unsecured and Unsubordinated Debentures ¹

Debenture	Credit Rating	Amount (Baht mn)	Issuance Date	Tenor (year)	Interest Payment Cycle	Repayment of Principle	Maturity Date	Balance as at Dec 31, 2020
CPN210A	AA	300	12/10/2011	10	Every 3 months	Upon maturity	12/10/2021	300
CPN221A	AA	1,000	02/06/2015	6.6	Once on the maturity date	Upon maturity	12/01/2022	1,000
CPN228A ²	AA	800	06/08/2015	7	Every 6 months	Callable after the 5 th year	06/08/2022	800
CPN218A	AA	1,900	08/08/2018	3	Every 6 months	Upon maturity	08/08/2021	1,900
CPN258A	AA	1,000	08/08/2018	7	Every 6 months	Upon maturity	08/08/2025	1,000
CPN225A	AA	1,500	02/05/2019	3	Every 6 months	Upon maturity	02/05/2022	1,500
CPN235A	AA	2,000	02/05/2019	4	Every 6 months	Upon maturity	02/05/2023	2,000
CPN227A	N/A	2,000	18/07/2019	3	Every 6 months	Upon maturity	18/07/2022	2,000
CPN297A	N/A	500	18/07/2019	10	Every 6 months	Upon maturity	18/07/2029	500
CPN242A	AA	3,000	04/11/2020	3.25	No	Upon maturity	02/02/2024	3,000

Remarks: ¹ Average applicable annual loan interest rate of 2.56% per annum

² The Issuer has the right to make early redemption in full or in part of the debenture before the maturity date.

Company Financial Ratios Following the Debenture's Rights and Conditions	Covenant Ratios	As at Dec 31, 2020
1. Total Debt to Total Shareholders' Equity	Not over 2.50 times	1.88 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	0.60 times
2.2 After deducting cash and cash equivalents, and current investments	Not over 1.75 times	0.48 times
3. Total Assets (excluding Secured Debt) to Unsecured Debt	Not less than 1.50 times	4.25 times

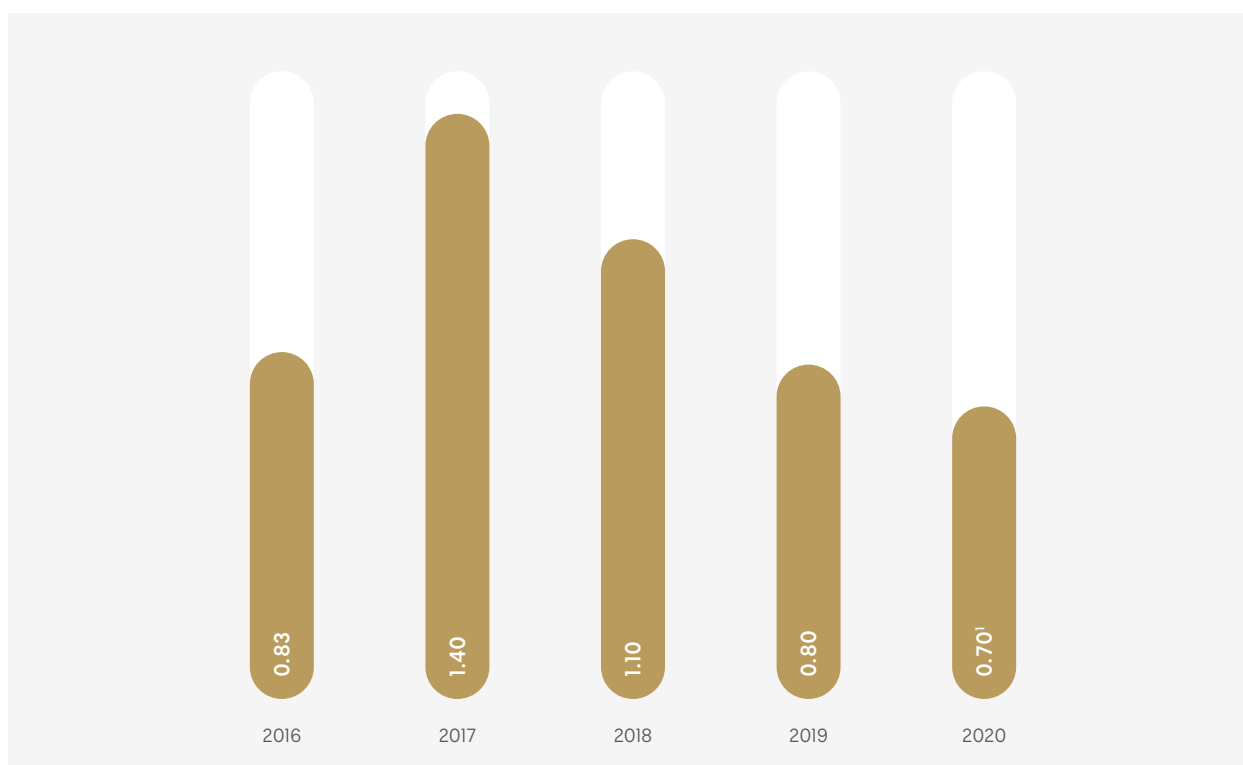
Dividend Policy

The policy of Central Pattana 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 Central Pattana'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.

Dividend Payments for the Past Five Years (2016-2020)

Unit: Baht/Share



Remark: ¹ Subject to an approval from AGM 2021

Risk Management

Risk Policy and Risk Management Plans

Central Pattana recognizes the importance of sustainable risk management to ensure stakeholders of goal attainment while minimizing possible losses. The COSO ERM 2017 framework has been adopted and applied to Central Pattana's business context. A risk management policy that covers all aspects of the business is then devised and incorporated into the corporate culture. Central Pattana continually reviews risks, taking into account both internal and external factors, risk probability and direct and indirect impacts on the business. The approach not only facilitates risk assessment and identification of major risks, but has also led to the formulation of strategies for monitoring and keeping control of risks manageable.

Business Risk Factors

In 2020, Central Pattana adjusted its joint vision to "Co-create a Center of Life" that illustrates its sustainability by "Creating a Sustainable Future for All" and was ready to step up to the role of a regional property developer with steady, sustainable growth under the expansion of the present program and future projects. The business would look at various asset classes of property, both domestic and international, especially in Southeast Asia in terms of own investment, joint investment as well as takeovers of potential enterprises.

From significant organizational risks in 2019, through the review of challenges and opportunities arising from the Covid-19 pandemic, many significant risks faced Central Pattana or the Group of Companies, including emerging risks in the next three to five years in business, operations, financial status and operating results or survivability of Central Pattana and Group of Companies. These are described below:

1. Risk in Maintaining Competitive Edge from Change in Consumer Behavior

In 2020, the Thai economy was hard hit by the COVID-19 virus, with the economy shrinking rapidly during the pandemic. Even after the lockdown was lifted, the country's economy was still reeling. The economy became even more affected from various events: enforced measures to control the entry of foreign tourists, closure of many businesses, especially SMEs, increased unemployment, and reduced work hours, and accumulating household debts. Adding to the damage is the fact that present-day customers are hyper-connected customers - meaning they want the best, with a lot more comfort, but have less patience. Thus, consumer behavior had started to change with the crisis: more purchases of goods and services through the digital platform, such as ordering products online, ordering food through a food delivery service, executing banking transactions online or e-wallet, and requiring more hygiene and safety assurances for goods and services.

In view of this change in consumer behavior, Central Pattana and the tenants, who are our foremost trading partners, faced risks in maintaining competitiveness. The Company still supported and helped develop tenants' potential while focusing on its own development and improvement to maintain smooth operations while consumers' behavior are still volatile so as to ensure allow mutual and sustainable growth. Management strategies still maintained a focus on sustainability and becoming the "Center of Life" to create an atmosphere and experience that would actively cater to the needs of each customer group along with organizing activities that correspond to similar customers' interests. Central Pattana also resorted to technology to increase communication efficiency and offer modernized and impressive services. Furthermore, new services to answer all customers' needs were regularly created, for example,

during the Covid-19 pandemic it developed a masterplan for hygiene and safety standards in providing service. Central Pattana was also one of the first in the industry to create online platforms including Chat&Shop, Delivery&Pick Up Service to cater to changes in customers' needs and assist all shops affected by the situation. The sales team and the public relations team were also instructed to take care of and follow up shop performances to assist and support them with measures such as providing discounts for affected shops, arranging for promotional activities with business partners, organizing training and seminars to provide new business viewpoints and ideas as well as gathering feedback through consultation and suggestions to help improve services to the shops.

2. Risk to Company Expansion from Domestic and Foreign Investment

For long-term growth, Central Pattana has plans to invest both domestically and overseas in various portfolios, including development investment by the Company, joint-development investment with partners, or mergers with promising enterprises. For new development project, the trend is for mixed-use, comprising shopping centers, offices, hotels and residences.

Due to diversified development projects, risks also vary with each project. An example is a domestic mixed-use project that requires a large plot of land suitable for a variety of businesses, resulting in risks in the selection of a plot that is cost appropriate, in the planning and design of the project that meet customers' needs, and in finding tenants who are willing to expand to the new location. For joint-venture projects and mergers, the risks are to find partners with potential and to create an effective governance and coordination system, among others.

Central Pattana provides for risk management of new projects by emphasizing the importance of careful study and planning of the project from feasibility studies, selection of joint partners, market survey and research, design of the project, construction management, sales and after-sales service, as well as recruitment and building new customers/tenants bases, to strengthening relations with present customers/tenants and organizing capacity building activities for present tenants. Once new projects are launched, the Company tracks performance records and regularly evaluates the return of each project to adjust strategies and ensure targeted returns.

3. Risks of Adaptation in Response to Technological Change, New Types of Businesses and Cyberattacks (Emerging Risks)

At present, rapid and radical technological changes widely disrupt the Company's business due to a variety of new business, new operations and agencies involved. In the past, it held a strategy to diversify its businesses into other trades or environment that maybe different but hold opportunities for growth and higher returns for the investment. This adaptation increased its resilience for such changes and had become a key factor for the Company's performance and successes. The COVID-19 pandemic forced it to adjust rapidly in every way, in the prevention, preparation, and response to the emergency situations. Adaptation comprised financial and cash flow management, team restructuring and management, resource management and application of technology to cushion the impacts so that the business could be sustained and recover as soon as possible.

The Company undertook several measures to develop resiliency and agility, such as organizational restructuring and more effective operational procedures as well as an efficient order and approval process such as a flat organization, project-based operation, prototype or pilot project development to test hypotheses, operation efficiency development following a whole-company approach, capacity-building for personnel, training and implementation and job rotation. Another initiative was to instill "4 Beliefs" in all its personnel that will promote resiliency and agility.

In relying more on technology and digital systems, there were more risks of the Company's data being hacked or coming under cyberattacks that may disrupt company operation or affect company image if not dealt with effectively. Central Pattana has developed its information security management by using ISO 27001 as a reference framework that provides coverage for hardware, software and network, instilling knowledge and awareness in all personnel in the Company and creating a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) in line with the present environment and technological system. A BCP drill is undertaken every year. Furthermore, it took out a cyber-insurance to transfer risk and mitigate impact.

4. Environmental and Social Risk Concerning Human Rights due Diligence and Good Corporate Governance

Three aspects of sustainability are covered: economic, environmental, and social. Apart from the economic risks presented above, the Company also focused on social and environmental risks that concerned respect for human rights and good corporate governance. Key risks involved are:

1. Climate Change

The impacts of global warming are rapid and severe changes in weather patterns which can cause natural disasters and environmental problems in many regions of Thailand, such as earthquakes, storms, floods, draught, fog, and PM2.5 pollution. These disasters affect resource management in business operations and may cause damage to company assets and affect customer service.

Central Pattana requires each shopping center 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. Central Pattana also put in place risk mitigation measures, such as the requirement to constantly inspect the strength of buildings and facilities, together with 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 structures to assess earthquake impacts and provide recommendations on how to handle future incidents. Central Pattana also reviews and prepares a crisis management plan to cover more scenarios, with regular drills to ensure personnel's crisis preparedness.

Statistics on natural disasters and the solution outcomes are systematically monitored and collected as incident cases for analysis to improve response plans and the effective management of these plans before reporting them to the Risk Management Committee for acknowledgment and consideration.

2. Political Rallies

In 2020, many political rallies ignited by fiery student protests started spreading throughout Bangkok. This was really different from former rallies where protests were often in special locations with political connotations. Such widespread protests made it more difficult for company operations to lessen impacts.

The Company was truly aware of such risks and had introduced the following measures:

- Coordinating and monitoring of movements and updates with government agencies or related organizations to receive timely and accurate information for assessment of situation and preparation. Communication of information was essential to allow concerned personnel to prepare and appropriately handle the situation according to plan.
- Training of personnel involved for knowledge and competency in monitoring and detecting breaches of security as well as holding regular exercises in carrying out contingency plans in case of various incidents.
- Applying modern, adequate technology and security equipment such as walkthrough metal detectors and CCTVs that can deter and discourage those inciting violence. They could also be used for detailed investigations should irregular events occur.

3. Corruption

Central Pattana stressed good governance practices and tight internal control under clear and strict implementation of its anti-corruption policy. After joining the Collective Action Coalition against Corruption (CAC), Central Pattana prepared a business code of conduct for the sellers and contractors to continually underline its position on anti-corruption. Our plan and aim was to persuade major partners to join the CAC in all main components of company partnership – sellers, contractors, tenants and similar business enterprises, and so on.

In prohibiting and managing risks arising from corrupt practices, Central Pattana 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 and Corporate Governance 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.

4. Complying with Personal Data Protection Act (PDPA) (Emerging Risk)

As the Personal Data Protection Act of 2019 was promulgated in May 2020, the Cabinet later announced a delay in enforcing some sections by one year. The situation has allowed Central Pattana more time to better prepare a systematic approach to enforcement. However, regular company operations involved the use of personal data from various stakeholders, such as customers, shops, trading partners and personnel. Moreover, company operations require the use of data by personnel in various units situated in varied locations that may lead to misconduct or incomplete action under pre-determined measures, such as informing concerned personnel of the personal data policy, requesting permission to use data, responding according to the rights of data owners and responding when a leak was detected, for example.

Central Pattana has appointed a working team and representatives of the various units to be responsible for review of the work process relating to personal data, such as acquisition, storage, usage, transfer and deletion of data to determine appropriate procedures in compliance with the law. The working team was also assigned duties for communicating, providing knowledge and ensuring that personnel in their responsibilities comply with the guidelines. Furthermore, the Company is also determined to apply technology and equipment in processes to manage personal information and cut down on the opportunity of human operational errors.

5. COVID-19 (Emerging Risk)

Since the beginning of 2020 when the COVID-19 pandemic emerged, Central Pattana's business was severely affected. Customers were concerned about coming in to use services, and sales decreased until some shops could not manage their costs. The shopping centers had to close according to lockdown orders from the state, and even after the lockdown was lifted, purchasing power revived slowly and performance missed targets.

The Company worked extremely hard to monitor and assess the situation to quickly control the crisis and adopted preemptive measures to prevent damage and minimize impact on stakeholders – customers, tenants, partners and employees – with foremost consideration for hygiene and survivability for everyone.

Central Pattana's executives have appointed working teams even before the pandemic was widespread, aiming for crisis management under all conditions while monitoring and assessing situations. Safety measures were specified and designed for application to all phases of the pandemic, including support and harm reduction for tenants, communities and employees, including review and improvement of the crisis management plan and BCP for each situation.

5. Risk to Investment of Securities Holders

Central Pattana had issued financial instruments such as debentures and bills of exchange. Thus, the securities holder may face the following risks:

1. Credit Risk

This is a risk that the issuer of financial instruments may not be able to pay back interest or capital if it becomes bankrupt or is defaulting should securities offered for sale not be protected by the Deposit Protection Agency (DPA). The securities holder is entitled to request debt payment equal to other creditors who are subordinated and unsecured. However, in assessing credit risks of the issuer of financial instruments, the securities holder can view the credit rating listed by the credit rating agencies and should research details before investment, such as performance and financial status of the issuer of financial instruments and should follow updates, including

changes in credit ranking from the Office of Securities and Exchange Commission (SEC) or credit ranking agencies. In 2020, Central Pattana was rated at "AA" by TRIS rating, with a "Stable" credit.

2. Price Risk

This risk may arise when securities holders want to redeem their securities before maturity dates. Securities may sell for more than the value specified or price bought, so the securities holder may not receive interest or returns, or receive lower interests and returns.

3. Cash Flow Risk

This is a risk if the securities holder wishes to redeem securities before the maturity date. The holder may resell the securities to interested parties in the secondary market. The risk is that the holder may not be able to sell the securities immediately at the price they want.



Chapter

19

**Sustainable
Development**

Sustainable Development

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Sustainability Yearbook

Member 2021

S&P Global

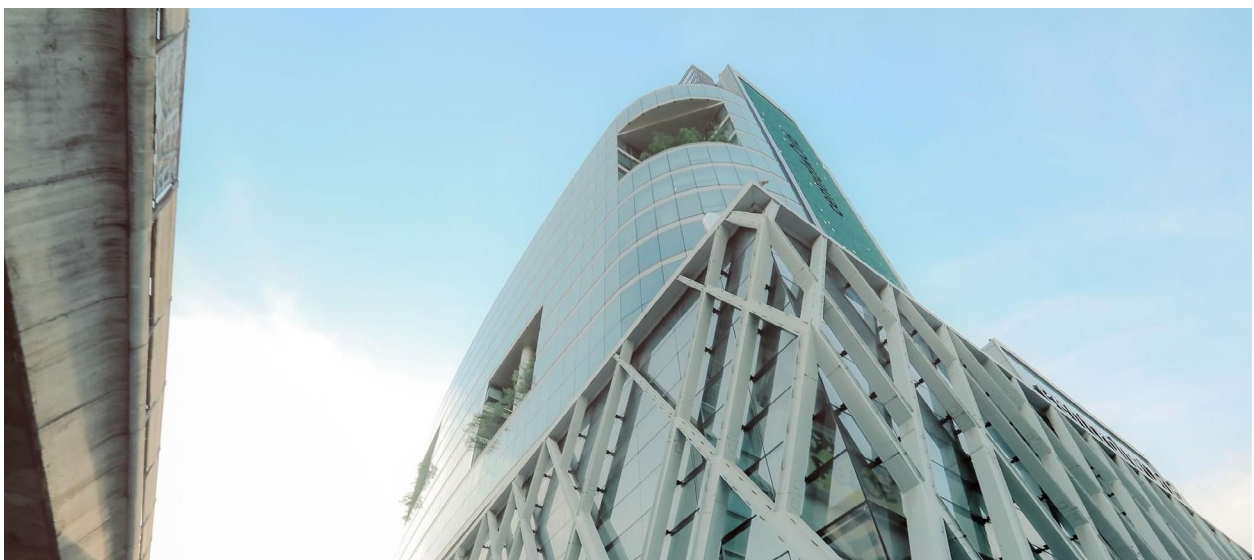
MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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Central Pattana operates six business groups including: 1) Shopping Centers and related businesses, which account for over 81% of the Company's total revenue, 2) Office Buildings, 3) Hotels, 4) Residential Projects, 5) Food Centers and 6) Investment in Property Fund and REIT (Real Estate Investment Trust). At Central Pattana, we are committed to good governance and place a strong emphasis on transparency, accountability and stakeholder engagement in all three dimensions of sustainable development including economic, social and environmental. Aligning our business with the UN Sustainable Development Goals (SDGs), we aim to create change across our value chain - from development and construction to management of shopping centers and properties we own. Find out more about our approach to sustainability here: www.centralpattana.co.th/sustainability/sustainability-strategy/at-a-glance.

Central Pattana has been listed as a member of the Dow Jones Sustainability Indices-World Index (DJSI World) in Real Estate sector for the third consecutive year; the Dow Jones Sustainability-Emerging Markets Index (DJSI Emerging Markets) for the seventh consecutive year; and the SAM Sustainability Yearbook for the fourth consecutive year.



Engagement and Stewardship of Key Stakeholders

Central Pattana classifies our stakeholders into nine key stakeholder groups and each group is supported by a dedicated stakeholder engagement team who work collaboratively with the stakeholders to address their needs and expectations in an effective and timely manner as well as make sure that their views and insights feed to our company's decision-making process. Learn more about how we engage with our stakeholders here: www.centralpattana.co.th/en/sustainability/sustainability-strategy/framework/stakeholders-engagement. Below are the additional stakeholder communication and engagement activities undertaken by Central Pattana in 2020.

Stakeholders	Engagement by Type and Frequency	Additional Actions during the COVID-19 Outbreak	Further Details
Customers	<ul style="list-style-type: none"> Engaged external consultants to conduct a customer behavior survey for new developments (one project) Suspended online customer satisfaction surveys for 2020 	<ul style="list-style-type: none"> Added communication and online shopping features to Central Eats and Chat&Shop on Line Official Account Conducted a pre- and post- service satisfaction survey of COVID measures 	2. Transforming Shopping Centers into the Center of Life
Tenants	<ul style="list-style-type: none"> Arranged a tenant meeting during the last quarter of 2020 Suspended online tenant satisfaction surveys for 2020 	<ul style="list-style-type: none"> Communicated with tenants via CPN Serve Suspended some entrepreneurship development programs Suspended tenant relationship activities 	3.1 Tenant Management and Development
Employees	<ul style="list-style-type: none"> Conducted the CG Individual Assessment with employees Conducted 360-degree performance reviews with supervisory level employees Conducted the annual employee engagement survey or CG Voice Conducted Town Hall Day 	<ul style="list-style-type: none"> Held meetings through video conferencing Provided capacity building and leadership training via online platforms Added communication features to Workplace and Workchat applications Conducted two employee engagement surveys (Pulse Surveys) Suspended off-site employee engagement activities Conducted "HC We Care" employee engagement activities by employee group with appropriate channel 	3.2 Employee Management and Engagement

Stakeholders	Engagement by Type and Frequency	Additional Actions during the COVID-19 Outbreak	Further Details
Suppliers	<ul style="list-style-type: none"> Held supplier meetings on circular business model development with each supplier taking turns hosting 	<ul style="list-style-type: none"> Suspended the biannual supplier meeting 	3.3 Supply Chain Management
Communities	<ul style="list-style-type: none"> Organized 84 volunteering activities including development of green spaces in select provinces 	<ul style="list-style-type: none"> Suspended site visit in shopping centers 	3.4 Corporate Responsibility and Community Development
Public Sector, Education Sector, Independent Organizations and other Organizations	<ul style="list-style-type: none"> Participated in ordinary meetings with state agencies 	<ul style="list-style-type: none"> Participated in meetings with state agencies to develop prevention and remediation measures 	Chapter 23 Corporate Governance
Shareholders	<ul style="list-style-type: none"> Conducted a shareholder survey on key sustainability issues 	<ul style="list-style-type: none"> Limited the number of shareholders participate in Annual General meeting 2020 	1. Risk Management and Diversification and New Business Ecosystem Development and Chapter 23 Corporate Governance
Competitors	<ul style="list-style-type: none"> Conducted a meeting with competitors to ensure alignment with government policy and legislation through video conferencing 	<ul style="list-style-type: none"> Submitted four open letters to Prime Minister, state agencies and relevant organizations Represented the Thai Shopping Centers Association (TSCA) at two Visionary Meetings with Prime Minister 	Chapter 23 Corporate Governance
Creditors	<ul style="list-style-type: none"> Conducted Opportunity Day (quarterly) 	<ul style="list-style-type: none"> Held meetings through video conferencing 	Chapter 23 Corporate Governance

Materiality Assessment

In 2020, Central Pattana revisited our vision to define the company's purpose: "Imagining Better Futures for All" and developed a new five-year sustainable business strategy, which now includes a more robust materiality assessment process. Below are the changes we have made to improve our materiality assessment process:

Materiality Assessment	Identification and Prioritization	Validation and Reporting
<p>We conducted our materiality assessment with inputs from:</p> <ul style="list-style-type: none"> • 2014-2019 Sustainable Business Strategy "Growth with Purpose" • Analysis of external factors • Dow Jones Sustainability Indices: DJSI • Feedback reports on sustainable development from research houses • UN Sustainable Development Goals: UN SDGs • Emerging trends from the COVID-19 outbreak 	<p>Together with trends and material issues, we evaluated emerging risks and the views of stakeholders gathered from the Annual Management Meeting to identify priority issues, which were ranked based on leadership expectations and corporate purpose (4 belief) gathered from Brand Purpose Workshop and clustered into challenges/opportunities and key sustainability issues.</p>	<p>The Corporate Governance and Sustainable Development Committee approved key sustainability issues and plans, continued to monitor the process and approved the disclosure by applying relevant international standards. Our materiality process was externally assured by independent organizations as shown on page 238-239.</p>

Strategies for Sustainable Development

In 2020, Central Pattana used the outcomes of the materiality process to develop our five-year Sustainable Development Strategies 2021-2025 as well as aligned long-term social and environmental targets with the UN SDGs. Sustainability performance indicators are set at corporate, department and division levels and progress is tracked through ongoing performance monitoring and Corporate Governance and Sustainable Development Committee meetings as well as through conducting the Impact Valuation studies.



Mega Trends	Challenges / Opportunities	Key Sustainability Issues	Approach and Reporting
<ul style="list-style-type: none"> Digital disruption Consumer lifestyle changes Shift in demographics and the boom of silver age Globalization and urbanization Slow and volatile economic Intensified competition 	<p>Changing consumer behavior Hyper Connected Customers are less patient than before and want convenience and nothing less than the best. Experience-seeking and more environmentally conscious, these consumers put great emphasis on well-being, health and hygiene and privacy and data protection (Personal Data Protection Act: PDPA) and trust in services recommended by experts or people they deem to be trustworthy.</p>	<ul style="list-style-type: none"> Enterprise risk management 	<p>1. Risk Management and Diversification and New Business Ecosystem page 101-102 GRI 103 Management approach GRI 102-15 Key impacts, risks and opportunities</p>
<p>Emerging Trends from COVID-19 Outbreak</p> <ul style="list-style-type: none"> Rapid digitalization New normal habits result homebody economy Instant demand and ultra-convenience Conscious spending Health and hygiene Brand value with social equity purpose and sustainable movement loyalty Organization resilience Business model reform 	<p>Resilience to change (emerging risk) In response to COVID-19, the Company had to adapt quickly to changing circumstances including in terms of prevention, preparedness, planning and in some cases closures as well as in other areas such as financial and liquidity management, restructuring of teams and management, human resource management and adoption of technologies to maintain business continuity and competitiveness.</p>	<ul style="list-style-type: none"> Resilience Technology and innovation Customer experience 	<p>2. Transforming Shopping Centers into the Center of Life page 103-113 GRI 103 Management approach GRI 102-43 Approach to stakeholder engagement GRI 203-1 Infrastructure and service supported</p>
	<p>Maintaining business continuity in the face of social and environmental threats From climate change and environmental problems such as droughts, floods, storms, dust, smoke and PM2.5 dust particles to civic movements and political unrest, these external factors affect not only customers' lives but the entire business sector as well as how we manage our resources.</p>	<ul style="list-style-type: none"> Tenant engagement and development Employee development and engagement Supply chain management and development Community and social responsibility 	<p>3. Stakeholder engagement 3.1 Tenant Management and Development page 114-119 GRI 103 Management approach GRI 414 Supplier social assessment</p> <p>3.2 Employee Management and Engagement page 119-131 GRI 103 Management approach GRI 401 Employment GRI 404 Training and education</p> <p>3.3 Supply Chain Management page 132-135 GRI 103 Management approach GRI 204 Procurement practices GRI 414 Supplier social assessment</p> <p>3.4 Corporate Responsibility and Community Development page 136-142 GRI 103 Management approach GRI 413 Local communities</p>
		<ul style="list-style-type: none"> Resource and environmental management 	<p>4. Resource and Environmental Management Excellence page 143-159 GRI 103 Management approach GRI 302-306 Energy, water, biodiversity emissions and waste</p>
		<ul style="list-style-type: none"> Corporate governance and culture 	<p>Chapter 23 Corporate Governance page 188-199 GRI 103 Management approach GRI 102 Governance ethic and integrity GRI 205 Anti-corruption</p>

Our Sustainability Targets

SDGs	Targets for 2021-2025	Targets for 2020
Economic, Social and Community Impact		
 8.3.1 Support productive activities, job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises	<ul style="list-style-type: none"> • Maintain an average annual growth rate of 10%. • Allocate 10% of total space for community use. • 10% of suppliers are small and local businesses. • Achieve 80% employee engagement score. 	<ul style="list-style-type: none"> • 85% customer satisfaction • 80% tenant satisfaction • 21 innovation destinations • 75% employee engagement score • 10,000 employee volunteer hours
 10.1.1 Promote and support growth in household spending of the bottom 40 per cent of the population at a rate higher than the national average		
 11.7.1 Provide access to safe, inclusive and accessible, green and public spaces		
Environmental Impact		
 6.a.1 Support to developing water- and sanitation-related activities and programs, including water harvesting, water efficiency, wastewater treatment, recycling and reuse technologies	<ul style="list-style-type: none"> • Reduce energy consumption by 20% (compared to 2015). • Reduce Scope 2 GHG emissions by 20% (compared to 2015). • Increase the use of recycled water to 20% of total water consumption across shopping centers. • Reduce waste sent to landfill by 50% of total waste. 	<ul style="list-style-type: none"> • Reduce energy consumption in 2021 by 4% (compared to 2019). • Reduce Scope 1 GHG emissions intensity by 15% (compared to 2015). • Reduce waste sent to landfill by 10%. • Increase the use of recycled water to 5% of total water consumption across shopping centers.
 7.2.1 & 7.3.1 Increase the share of renewable energy in the energy mix and improvement in energy efficiency.		
 12.3.1 & 12.5.1 Halve per capita global food waste at the retail and consumer levels. Substantially reduce waste generation through prevention, reduction, recycling and reuse.		
 13.2.2 Integrate climate change measures into national policies, strategies and planning		

About this Sustainability Report Section

For a eighth year, Central Pattana has incorporated the Sustainable Development (SD) Report with the annual report to showcase its economic, social, and environmental performance by applying the Global Reporting Initiative (GRI) Standards-Core option approach, the International Integrated Reporting Committee (IIRC)'s report scope, the ISO 26000:201 Guidance on Social Responsibility, and the United Nations Global Compact (UNGC), linked to the performance in line with Sustainable Development Goals (SDGs).

Reporting Scope and Boundary

The report embraces the performance of Central Pattana and its subsidiaries in Thailand, excluding sustainability performance abroad, from January 1 to December 31, 2020, with economic, social, and environmental updates and performances under the sustainable business management strategy. The scope of business and sustainable development covers only assets under Central Pattana's administration, namely the 34 shopping centers in Thailand (Central Phuket project is accounted for two shopping centers: Central Phuket Festival and Central Phuket Floresta), 7 office buildings, and downstream mutually supporting businesses of Central Pattana operating in Thailand, as reported in the Chapter 12 Nature of Business and Assets under Management. An exception is for environmental reporting, which excludes some office buildings' outcomes: The Ninth Towers, Unilever House and G Tower; hotel; and residential projects. Note that the report on the supply chain excludes the operation of subsidiary CPN Residence Co., Ltd.

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

Report Quality Control

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

Independent Assurance

For credible and transparent reports guided by GRI Sustainable Reporting Standards, Central Pattana organized report certification for some key performance indicators by a third party well-versed in certification and independent assurance in the field of real estate business as detailed in the certification of assurance on page 238-239. Additional Information on SD Report and GRI Content Index have been disclosed at www.centralpattana.co.th/en/sustainability/sustainabilityreporting-library

In line with Central Pattana's climate and environment policy, no hard copies have been printed. This report and previous editions are available online at www.centralpattana.co.th/en/investor-relations/publications/report/annual-report

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Based on the analysis of corporate risks and challenges, Central Pattana has established sustainability action plans for adapting to changing consumer behavior, increasing resilience and maintaining business continuity amid environmental and social challenges, which are embedded in the annual strategic plan. Performance is tracked in five dimensions including: 1) company growth, 2) brand value creation, 3) efficiency improvement, 4) internal process and 5) human resources, in line with the UN-SDGs and

Central Pattana's five-year sustainable business strategy. Our management approaches and sustainability performance are reported in four focus areas as follows:

1. Risk Management and Diversification and New Business Ecosystem Development
2. Transforming Shopping Centers into the Center of Life
3. Engagement and Stewardship of Stakeholders
4. Resource and Environmental Management Excellence

01 Diversification of Investment Risks and Creation of a New Business Ecosystem

Central Pattana prioritizes the retention of strong and sustainable business growth through a five-year business plan (2021-2025) with a compounded average growth rate (CAGR) in revenue of about 10% per annum. To achieve such target, it establishes a business growth direction by diversifying the business base of property development and management through a variety of approaches as seen below:

1.1 Geographic Business Expansion and Types of Properties



Central Pattana has historically developed and managed its properties through new shopping malls in high-potential areas, starting with Bangkok and periphery and expanding to provincial cities that have strong and stable economic growth and are regional centers. It deployed this strategy to diversify concentration risks and create opportunities together with participation in the regional business drive. As of present, Central Pattana has 15 shopping malls in Bangkok and periphery, 18 shopping malls in the provinces, and one in Malaysia. Before launching project development, the Company prudently selects the best location within an area that is conveniently accessible by customers, tourists, and tenants. Through the concept of "Center of Life", the Company's shopping malls are uniquely designed to suit the locality of each area by offering a complete range of products and services, as well as creating new areas for lifestyles and activities in response to changes in consumers' behavior. Moreover, each shopping mall is designed with a unique identity harmonious with the local communities and promoted their pride, including attracting visitors, stimulating the economy, distributing income, and fostering benefit and value-added for all stakeholders, thus leading to national economic development.

With a vision to be the regional leader in property development and enjoy sustainable long-term growth, the Company expands the business to Southeast Asian countries, particularly those with strong and stable economic growth, such as Malaysia and Vietnam. Its business execution aims to diversify the business base and reduce dependency on a single domestic market. It expands investment into an integrated property development under the strategic direction of mixed-use development. These investments include shopping complexes, residences, office buildings, and hotels to maximize the value of the core shopping-mall business and use land for maximum benefit. Each business in the area can also complement one another. Since 2016, Central Pattana has developed condominium projects located in the same areas as its shopping malls. To date, Central Pattana has launched 18 condominium projects, including 15 high-rise condominium projects and 5 low-rise projects - single detached house, twin-home and townhouse. Most projects are located near shopping malls and well-responded by the customers. Moreover, the Company is preparing to launch 4-5 residential projects per year and studied opportunities for developing other types of properties as planned.



1.2 Joint Investment with Business Partners

Central Pattana's property development and management go beyond proprietary investments. It is open to jointly investing with potential business partners that bring invaluable property development business experiences and know-how to share with and support one another.

- The Company entered a joint investment partnership with Dusit Thani Public Company Limited ("DTC") to invest in a mixed-use development project comprising a hotel, a residence, a shopping mall and an office building on the land at the corner of Silom Road and Rama 4 Road. The Company has an 85% investment stake in the shopping mall business and a 100% stake in the office building business, both within its domain of expertise, whereas it has a 40% stake in the hotel and residential businesses, both of which are of DTC's expertise.
- The Company, in cooperation with IKEA, launched "IKEA Bangyai," a new IKEA style that allows customers to shop and pay on any floor. It is the first branch that has all entrances connected with Central Westgate. This cooperation added the element of Super Regional Mall to Central Westgate.
- The Company and Right Man Limited entered into a 50:50 joint investment under the Phenomenon Creation Limited to launch Tribhum: adventurous theme park innovation as the new World-Class Attractions in Phuket and a world tourist attraction. It will increase the tourism and economic potential of Phuket to compete with natural attractions in other countries.
- The Company formed a joint venture with Common Ground Group, a reputable co-working space business from Malaysia to set up Common Ground Thailand. Central Pattana holds a 51% stake in the joint venture; Common Ground Group, 49%. This partnership aims to expand the co-working space business in Thailand, connecting shopping malls with office buildings to be the workplaces of new entrepreneurs, support SMEs and startups, and strengthen national economic growth.
- Central Pattana formed a joint venture with Central Retail Corporation Public Company Limited to invest in Grab Thailand, with a 33% investment stake to expand customer services via a digital channel. Grab is a leading service provider of transportation, food delivery, and logistics on a mobile application. As the key partner of the Company and Central Group, it will enhance the Group's potential to become an omni-channel. The partners will jointly create a new ecosystem to serve customers' way of life in an era when offline and online channels become more integrated.
- The Company collaborated with a subsidiary of the Hong Kong Land Group in studying guidelines for mixed-use development projects in Thailand. Hong Kong Land Group has excellent expertise and experience in commercial property development projects in Hong Kong and overseas, including Thailand.
- Finally, Central Pattana entered a joint investment partnership of the Central Village project with the world's leading outlet developer like Mitsubishi Estate Asia (MEA), which successfully runs nine outlet projects in Japan, such as Gotemba, Rinku, and Shisui. MEA holds a 30% investment stake (while the Company holds 70%). This collaboration will raise the efficiency of customer service and strengthen the project by offering world-class brands in the outlet. It will also upgrade the Central Village project as the real leader of luxury outlets in Southeast Asia.

02 Transforming Shopping Centers into the Center of Life

Management Approach

01



Customer Centric Product and Service Development
for everyone and every lifestyle

02



Service Excellence
elevating service standards through stakeholder engagement with strong emphasis on convenience and safety and security

03



Technology and Innovation
enhancing communications, service and convenience

2.1 Customer Centric Shopping Center Development for Every Lifestyle



Findings from quantitative and qualitative studies with potential and current customers

Combined with analysis and forecast of future customer demand based on demographics, research and big data analytics from internal knowledge management

Are used to improve and develop annual business plans and create product innovation plans

In implementing our annual business plan, in 2020, Central Pattana launched 3 new developments including Central Ayutthaya and Central Si Racha, which are 38% and 30% complete, respectively, and Central Chanthaburi, which is in the mobilization process; completed the renovation of

3 shopping centers including Central Pattaya Beach, Central Rama 2 and Central Phuket; and has undertaken 8 partial renovation projects, which are 50% complete. As part of our Destination&Attraction plan, product innovations were implemented as follows:

Product Innovation - Destination & Attraction plan

1. Family Destination

Central Pattana, in partnership with business partners, launched new learning and kids zones including the 10,000 sq.m. indoor playground Mega Harborland Westgate at Central Westgate, Fun Planet at Central Chonburi and Kidzooona at Central Rama 2.



Indoor Playgrounds
to promote learning outside
the classroom - 34 playgrounds
available at 25 projects



Kids' Restrooms
to encourage self-reliance in
small children - 72 restrooms
available at 24 projects



Family Dining Zones
set up in 26 of 30 Food Parks
and the Food Centers under
the Company management

2. Food Destination - Destination for Dining

Central Pattana has renovated the Food Parks and introduced more dining options based on consumer lifestyles including best street food, local street food, restaurants for tourists and brand new restaurants. At centralwOrld, the Company has launched "Food Bible", (www.centralworld.co.th/kindee/) a comprehensive guide to endless dining possibilities organized into 8 lifestyles: 1) Thai, 2) International, 3) Michelin Stars and Michelin Guide, 4) Quick Eats, 5) Shabu and Grill, 6) Café-Desserts, 7) Party and Hangout, and 8) Creative Cooking. A cashless payment service has also been rolled out at the shopping center's Food Park, offering diners different cashless payment options – the first food court in Thailand to offer such service.

3. Fashion Destination - Destination for Fashion Lovers

In addition to updating Fashion Plus Zone with modern touches, new retail formats are being rolled out. For instance, physical stores have been launched by online brands and large vacant retail spaces have been subdivided into

smaller units for small retailers to test the market at Central Salaya and Central Ubon. Building on last year's success, the pop-up store concept has now been adopted by local and global brands including Tory Burch, Longines and Tag Heuer. To date, there are 754 brands in Fashion Plus Zones across 24 shopping centers and 67 pop-up brand stores (include brands in all product categories).

4. Lifestyle Destination - Destination for New Lifestyle

Seeking to bring together people with similar interests and lifestyles, Central Pattana, throughout the year, held themed events and roadshows across shopping centers such as:

- Dessert lovers: "Signature Sweets 2020" at 11 shopping centers from June to December 2020
- Classical music fans: 1) Live contemporary Thai music performance by Mahidol Symphony Orchestra broadcast via the panOramix screen on the façade of centralwOrld as part of "Music Heals 2020" from August to September 2020; 2) "The Grand Christmas Concert 2020" - a free concert held at centralwOrld

Square in December 2020; and 3) “Music in the garden” - a musical event featuring Suranaree Girls Wind Symphony at Sang Chan Waterfall Square, Central Korat in November and December 2020

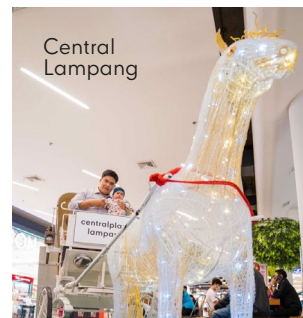
- Gardeners and plant lovers: Urban Garden, Tropical Garden, Green Market, Garden on Ground and Butterfly Green Market and Cactus
- Coffee and tea drinkers: coffeewOrld, Coffeelism and Northern coffee
- “Stadium talk” at centralwOrld - a public event where photographers, fashion gurus, filmmakers, music composers, and conductors were invited to share inspirational stories and experiences
- Evening and weekend outdoor markets to suit customers’ lifestyles and in compliance with social distancing rules
- Pet Lover Zones: 1) a new destination at Central Rattanaibet; 2) a pet playground and dedicated pet shops at Central Korat, and 3) pet wellness pop up stores at Central Eastville providing services such as pet health checks, pet wellness consultancy, pet dermatology, pet preventative care, animal behavior health care, bathing & grooming care and pet spa and massage

5. Sport Destination - Destination for Health Lovers

To promote physical activities and sports, Central Pattana has turned outdoor activity squares in front of shopping centers into: 1) an extreme sports park at Central Chiangmai and 2) running tracks at Central Phitsanulok and 3) added a 1,000 sq.m. fitness area at Central Korat as well as 4) transformed convention halls into sports arenas hosting events such as Toyota Youth Badminton Super Series 2020 at Chaengwattana Hall, Central Chaengwattana, and at Korat Hall, Central Korat, in partnership with the Badminton Association of Thailand Under Royal Patronage of His Majesty the King; Thailand Open Master Game at Rama 2 Hall, Central Rama 2; Thai Chess Tournament Championship 2020, in partnership with Thai Sport Association of Thailand Under Royal Patronage of His Majesty the King; and Thailand 3x3 Basketball Princess Maha Chakri Sirindhorn’s Cup at Chaengwattana Hall, Central Chaengwattana, in partnership with 3 x 3 Basketball Association.

6. Tourist Destination - Destination for Travel Lovers

Central Pattana aims to make our shopping centers the destination for tourists and support development of local tourism. Together with Mae Pah Luang Foundation under Royal Patronage, we held a cross event “Seesan Doi Tung x Central Chiangrai” at Central Chiangrai turning the space into Doi Tung Park to give tourists a little taste of what Doi Tung has to offer. The old Lampang Horse Carriage Station, located in front of Central Lampang, has been transformed into the province’s newest check-in spot; on Central Phuket skywalk, decorated with flower walls, there is a DJ to entertain tourists; and in front of Central Chiangmai, the up-in-the-sky artificial staircase has become a popular photo destination. Meanwhile, Central Samui, Central Pattaya Beach, Central Rayong and Central Village have been revamped as a photo spot for avid photographers and selfie-lovers.



7. Center of Community

- 2 new Government Centers at Central Phitsanulok and Central Udonthani, taking the total number to 14 centers across the country
- 6 passport offices at Central Westgate, Central Korat, Central Udon, Central Nakhon Si, Central Phitsanulok and Central Festival Phuket
- 3 more Jing Jai Farmer’s Market have been set up to provide local organic farmers a direct channel to sell products to consumers. This brings the total number to 12 markets under the Company’s management.
- Rollout of small store formats at all branches including Shop in shop and Multi brand store to provide small retail spaces for small and local entrepreneurs looking to sell community products or popular souvenirs. The initiative currently supports 266 entrepreneurs.

2.2 Service Excellence



Conduct quarterly online surveys to gather customer feedback in 2 respects:
1) the importance level of factors affecting customer satisfaction:
and 2) the satisfaction level towards each factor

Report survey results to relevant teams on a quarterly basis, and use the findings to re-assess and improve Service Excellence plans to keep pace with evolving customer needs

Material issues are addressed through cross-functional collaboration between Business and Project Development functions and Asset Management

In line with the annual business plan, in 2020, Central Pattana focused our efforts on elevating customer satisfaction and offering frictionless journey and convenience in 4 key areas described below:

1. Traffic and Parking Management

• Traffic Management

teams are designated for traffic management planning and assignment of staff, substitutes, and controllers and traffic control plans have been developed for 4 different situations: 1) normal, 2) slow, 3) congested, and

4) accidents. In addition to training relevant staff including procurement employees across 33 shopping centers on traffic management, the Company has trialed new technologies to enhance services including realtime traffic display at 2 shopping centers - centerwOrld and Central Ladprao. Compared to the previous system, the automated car park ticketing system and License Plate Recognition - LPR, piloted in 2019, have improved vehicle entry/exit flow by 70%. In response to COVID-19, parking cards are cleaned and disinfected after every use to keep our customers safe and worry-free.

• Parking Services to Serve Every Lifestyle

Priority parking,
available at all project



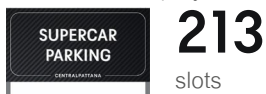
Lady Parking,
available at 33 projects



Big bike parking,
available at 20 projects



Supercar parking,
available at 29 projects



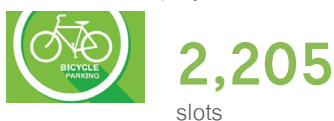
Family parking,
available at 4 projects



Valet parking,
available at 7 projects



Bicycle parking,
available at 25 projects



EV Charger parking,
available at 21 projects



Quick parking,
a separate parking zone for



- Carpool parking (for vehicles carrying more than 4 passengers) 54 slots available at 3 projects
- Intelligence parking system 45,404 slots available at 17 projects

- Transportation hub available at 4 projects
- Shuttle bus available at 14 projects
- Reserved parking at centralwOrld
- Food delivery parking

2. Service Amenities Based on Customer's Lifestyle

• Families



Nursing room
59
rooms available
at 28 projects



Kids' dining zone in Food
Park available at
26 projects



Happy train
27
trains available
at 25 projects



Baby changing room
(for diaper)
299
rooms available
at 26 projects



Baby stroller
252
stroller available at
33 projects



Wheelchair
387
wheelchairs available
at 33 projects



Kids' restroom
72
available at
24 projects



Kiddy Car
582
cars available
at 32 projects



Accessible restroom
352
room available
at all projects

• Tourists



Group counter
9
counters available
at 9 projects



Tourist information center
14
centers available
at 12 projects



Luggage storage and
delivery (paid service) at
4
projects

• Others



Muslim prayer rooms
22
room available
at 19 projects



Rest area
91
locations at 23 projects



Rest hub with electrical
charging slots
62
locations at 27 projects



Free wifi available at
14
projects



Charging station
68
stations available
at 29 projects



Free powerbank rental
97
powerbanks available
at all projects

In 2020, the Company has added more service amenities, which are arranged based on lifestyles and user groups including currency exchange centers, free sim card rental, car rental, travel agencies, free powerbank rental, luggage delivery, personal shoppers and porter service, and home/hotel delivery.

3. Safety and Security

Central Pattana's safety and security measures take into consideration the safety of our customers as well as their possessions and are developed in accordance with ISO 45001 Occupational Health and Safety, with daily site security plans as well as plans for emergency response training and

drills and exercises in place. Our public safety and security management approach is divided into 3 areas: management and participation, prevention, and operation.

• Management and Participation

There are Committees on Safety, Occupational Health and Environment at the corporate and branch levels, who are responsible for ensuring safety and health standards are consistently implemented across the company. Progress reports are submitted on a regular basis to the Risk Management Committee and the People Development Committee. In 2020, changes have been made to on-site auditing, which used to be conducted by the operation audit team. Now, audits are carried out within a defined timeframe by designated on-site staff using a standard checklist. Audit reports from every project are submitted to the central team for review and recurring problems are handled promptly, while structural issues will be addressed through meetings.

• Prevention

Loss Prevention (LP) department is responsible for handling, monitoring and minimizing losses in shopping centers as well as supervising security guards from security service companies that meet the requirements set out by the Business Security Act, B.E. 2558 including providing equal employment opportunities to ethnic minorities. In 2020, Central Pattana has revised the standards for prevention and security and introduced new measures to prevent the transmission of infectious and communicable diseases, which include stepping up cleaning procedures, limiting stakeholders' access to buildings, and requiring relevant employees to complete an online training on service standard.

Standards for installing Closed Circuit Television/CCTV cameras have also been rolled out at all projects. In addition to 7,542 CCTV cameras (unchanged from 2019), 2,302 Call Points have been set up across all parking lots (except at Central Village, which has outdoor parking) to enhance customer safety and there are now 217 security bases available at all projects.

• Operation

Since 2019, the Company has begun using the revised safety and security manual, which makes safety and security part of the criteria for supplier selection, mandates subcontractor assessment during construction and after handover, and adds safety and security to the list of operational risks requiring oversight and mitigation.

Central Pattana uses Color-Code Condition 5* to monitor the situation and assess crisis severity with 4 partners responsible for the operation including company employees, state officials, security experts from outside the company and Central Group. The overall situation in 2020 remained largely Blue or Guarded except for the project in Hat Yai city, which was Orange or High - meaning there were risks of explosive attack, terrorism and other threats.

In the event of an unforeseen accident or event, there are preparedness measures in place, for example, 33 AEDs (Automated External Defibrillator) have been installed across all projects. Central Pattana also has insurance plans including Industrial All Risks (IAR), business interruption coverage and public liability insurance and provides additional training to employees involved in providing rehabilitation care to survivors.

Remark: * The Color-Code Condition 5, which has 5 levels including Low-Green, Blue-Guarded, Yellow-Elevated, Orange-High and Red-Severe, has been rolled out to improve communications and ensure speedy and coordinated implementation. In the event of a crisis, the Company's crisis command center committee and their counterpart at Central Group will, together with state officials and security experts from outside the Company and Central Group, closely monitor and assess the situation.

4. Service Standard

Our standards, adapted from ISO 9000, are aligned with ISO 9001 Quality Management System (QMS) principles, which include continuous process improvement to ensure consistent delivery of quality products and services and reduce complaints and recurring issues. Guided by our service philosophy, "Service with the heart", the Company seeks to help our employees develop the skills necessary to satisfy customer needs. In 2020, the Company carried out the following:

- Established process standards for selecting and evaluating security guards, housekeepers and customer service staff, which include Customer Satisfaction Survey (conducted after the national lockdown order had been lifted in July 2020) and “Mystery Shopper” - a checklist-based evaluation conducted by company employees from another branch to measure service standard at each touchpoint. The results showed that, compared to the year before, complaints about staff fell by 32%.
 - Conducted “Service with the heart” trainings for all customer-facing and service-related employees including:
 - Basic Training on personality and appearance: greeting-smiling, eye contact and distancing, saluting and Wai, and pronoun use when interacting with a customer
 - Functional Training: on how to approach customers to offer assistance, providing assistance in parking facilities, door etiquette, temperature check, and proactive service
 - Developed training formats and post-training assessments that would be suitable for frontline functions including “The CS Professional” contest, an intensive training for customer relations employees via videoconferencing with senior staff coaching and mentoring junior staff and sharing with them real-world knowledge and experiences; 5 CS Online training courses, which included basic marketing, English for customer relations, Chinese for customer service, SOP and handling of complaints; trainings for housekeepers and security guards from security service companies, which were conducted with corporate training materials and led by Branch Service Trainers; self-paced videos training course; and coaching program for frontline functions.
 - Rolled out new technologies to enhance service delivery such as “i-booking” - a booking system for kiddy cars, and wheelchairs at shopping centers and reserved parking via @Centrallife OA. Both are being trialed at centralwOrld.
 - Adopted ISO 20121 Event Sustainability Management System in managing convention halls and sought ISO 20121 certification for Changwattana Hall at Central Changwattana. To date, 8 of our 10 convention halls have been ISO 20121 certified. In addition, the Company has submitted 9 projects for TMVS (Thailand MICE Venue Standard) certification under Meeting Room category and 4 projects for TMVS and one pilot project for AMVS (ASEAN MICE Venue Standard) under Exhibition category. All certifications are issued by the TCEB (The Thailand Convention and Exhibition Bureau). The certification's assessment components include Physical Component, Technology Component, Service Component and Sustainability Component.
- In addition, the Company established the “Central Clean and Safe” masterplan to boost customer confidence when accessing services during the pandemic with measures covering 5 key areas - screening, distancing, tracing, cleaning and touchless experience - and provided customer relations employees with additional training on communications, customer service, adapting to the “new normal” and COVID-19 preparedness and response.
- Established standards for conducting 360-degree feedback including checklist-based in-branch self-assessment, site assessment by corporate, “Mystery Shopper” and online customer surveys. The results and analysis will help inform the Company on how our customers can be better served.



2.3 Technology and Innovation

Central Pattana seeks to develop new technologies and solutions to provide the best experience for stakeholders, in particular, our customers, tenants, employees and suppliers, including in IT infrastructure management and customer analytics and implements our plan as follows:

Digital Customer Experience

- Touch screen digital directory where customers can scan and download direction maps onto their phones, available now at every branch
- Direct communication channel via Line application with Line ID: @central Life, which offers 4 key features:
 - “Store Locator” - helps customers find their desired store and get directions from their starting point by tapping on “Get Direction”
 - “Special Privilege for The 1 members” - allows users to check and redeem The 1 points, book a parking space at centralwOrld, and access e-coupons from within the app
 - “Central Eats” - responds to changing consumer behavior during COVID-19 by enabling customers to place orders for delivery from their favorite restaurants at the shopping centers operated by the Company via the application and Grab. The initiative was rolled out at 12 projects with more than 210 shops and 30 Food Parks participating. Based on the Company analysis, “Central Eats” has a higher close ratio than Grab service.
 - Communications and promotions in the wake of the COVID-19 pandemic - the Company has launched Chat & Shop, One call one click, and Deliver & Drive thru services to enable customers to shop and access service even during lockdown.
- E-wallets at 35 Food Parks operated by the Company, accept PromptPay, Rabbit Card, Line Pay, TrueMoney Wallet, Dolfon, WeChat Pay and AliPay. E-wallets now represent 10% of all transactions in every branch and 35% of all transactions in some branches such as fOodwOrld @centralwOrld.

- Digital service for tenants via CPN Serve, an all-in-one platform for internal communications, information lookup, maintenance request, rent payment, and rewards programs. The app, which has built-in sales and promotions function, provides tenants with a free Customer Relationship Management (CRM) system. To date, the adoption rate among targeted tenants has surpassed 50%.

Digital Service for Residents via “CPN Residence Family”

Where users can look up reservation information and installment payment, receive project news and updates, and book a viewing appointment.

Infrastructure and Customer Analytics through Utilizing’s Big Data for Customer Analytics

For example, the number of customers and sales data are utilized in circulation planning and store layout design to deliver better service to our tenants as well as customers.

Our cybersecurity prevention plan is implemented under the guidance of the Risk Management Committee. A working group on cybersecurity and Personal Data Protection Act (PDPA) chaired by the head of Information Technology function and reporting directly to the Committee, has been formed and a study was conducted to explore how ISO 27001 - Information Security Management Systems (ISMS) can be applied across the company by 2020. To build preparedness, the Company has updated the Disaster Recovery Plan (DRP) to take into account changing circumstances and technologies for the testing of the annual Business Continuity Plan (BCP) and scouted for appropriate monitoring and evaluation tools to assess the effectiveness of our cybersecurity measures.

Our COVID-19 Pandemic Response

เซ็นทรัลพัฒนา
ผู้นำ สะอาด มั่นใจ ในทุกตารางเมตร
สรุปไฮไลต์ ‘แผนแม่บท 5 ข้อ’
กว่า 75 มาตรการ
ทุกศูนย์ ทุกจุด ไม่ว่าร้านไหน บริการใด ไร้กังวล
ส่งเสริมให้คนไทย ‘อยู่บ้าน หยุดเชื้อ เพื่อชาติ’
ช่วยกันป้องกัน อยู่ร่วมกันปลอดภัย

1 EXTRA SCREENING คัดกรองเข้มงวด



2 SOCIAL DISTANCING งดความแออัด



3 SAFETY TRACKING ติดตามให้มั่นใจ



4 EXTRA CLEANING สะอาดทุกจุดในเชิงรุก



5 TOUCHLESS EXPERIENCE ลดการสัมผัส



Five Core Criteria of CENTRAL'S HYGIENE AND SAFETY Master Plan

For a worry-free environment in our shopping centers

1 EXTRA SCREENING



1. All customers and employees must wear face masks at all times. Face masks are available for sale if customers don't have one.
2. A sanitizer gel is available throughout the shopping centers and every store.
3. **Everyone must measure their body temperature before entering the shopping centers.** If body temperature of customers or staffs exceeds 37.5° C, they will not permit to enter the shopping centers.
4. **Disinfectant doormat** will be placed at the entrances.
5. **Stringent additional measures for delivery staffs** such as at the entrances, waiting areas, specific parking space and disinfectant spraying services on gloves and vehicles.
6. **All employees must measure their body temperature every 6 hours** and the records of measurement must be shown.
7. Staffs who work closely with customers are required to wear face shields and gloves.

2 SOCIAL DISTANCING



1. **Restrict the number of customers** while putting up a sign to specify the maximum number and close some entrances;
 - Shopping center: no more than 1 person per 3 square meters
 - Stores and common areas: keep 1-meter distance
 - Check-in and check-out via Thai Chana application
2. Separate entrance and exit doors.
3. Arrange a queuing system and waiting area for the stores and delivery staffs.
4. **Implement social distancing signs in every area to ensure 1-meter distance** between each person;
 - Draw a grid in the elevators
 - Draw a line and limit the number of people entering the bathroom
 - Keep 2-step distance when using escalators
 - Keep distance at common areas such as rest area and stores
5. **Apply 4 Shields:** Face Shield – Food Shield – Table Shield – Counter Shield.
6. Increase awareness and emphasize practical guidelines to employees.

3 SAFETY TRACKING



1. **Track employees' health and travel records for the past 14 days** and to complete an assessment form prior to opening and before starting work daily.
2. For takeaway food, the restaurant name and branch must be labeled on the package.

4 DEEP CLEANING



1. **Clean every touch point every 30 minutes**, all day, everyday, in the shopping centers and every store.
2. **Apply disinfectant on air condition system everyday after closed to purify the air throughout shopping centers.**
3. Use disinfectant solution after the shopping centers close at night.
4. Implement a 'Big Cleaning' for the whole shopping center every week.
5. **Provide UV-C disinfecting devices on shopping bags** for customers.
6. Clean food park card / parking card before and after use.
 - Provide disinfectant at food park
 - Spray disinfectant on parking cards before handing to customers.
7. Bathrooms' cleanliness:
 - Clean bathrooms every 30 minutes
 - Provide disinfectant in every toilet for customers to clean sanitaryware before use
 - Ensure hand soap dispenser and hand towel are available in the toilet at all times
8. Extra measures for family lounge and prayer room.
9. Disinfect fitting rooms, service rooms, classrooms and every equipment before and after use.
10. Strongly apply stringent cleansing measure if the risk group or the infected was detected.
11. Clean face shields every day.
12. **Separate face masks waste** from general waste.

5 TOUCHLESS EXPERIENCE



1. Encourage the use of **cashless payments and e-payments.**
2. Give customers their **change in clear bags.**
3. Provide **doorpersons** at shopping centers and retail stores.
4. Assign staff to **press elevator buttons** for customers (buttonless).



During the COVID-19 pandemic, the Company launched the “Central Clean and Safe” masterplan to boost customer confidence when accessing service at shopping centers and office buildings, with measures covering 5 key areas including screening, distancing, tracing, cleaning and touchless experience. The masterplan, praised internationally and by Thailand's shopping center industry, has been adopted and adapted by the Thai Shopping Center Association, the Department of Health and other state agencies.

Despite the crisis, the Company kept pushing innovation forward and collaborated with suppliers to, for example, roll out cleaning and sanitation solutions to enhance convenience and keep our customers as well as employees safe.

- Protective shields at Information Counters
- Automatic alcohol dispensers in elevators
- Social distancing warning sensors at main escalators
- UV-C for AHU filters and UV-C cabinets for shoppers to sterilize purchased items and shopping bags
- Touchless lifts and automatic handrail sterilizers

▼ Touchless lifts



▼ Social distance warning sensors



▲ UV-C sterilizers



▲ Doormat with disinfectant alcohol

Sustainability Performance: Transforming Shopping Centers into the Center of Life

Topic	2020 Performance	Plan for 2021
 <p>Sustainability Indicator</p>	<ul style="list-style-type: none"> With the ongoing pandemic, there were external factors that could affect customer satisfaction. For this reason, "Shopper Satisfaction" was removed from our 2020 performance indicators. Calibrated the weights of some indicators in shopper and tenant satisfaction surveys to ensure better alignment and integration. 	<ul style="list-style-type: none"> Establish "Shopper Satisfaction" as a performance indicator and target to achieve shopping satisfaction scores of 80 in 2021 and 85 in 2025.
 <p>Transforming Shopping Centers into the Center of Life</p>	<ul style="list-style-type: none"> Carried out project development as planned. New development projects are 34% complete and partial renovation projects are 50% complete. Carried out the Product Innovation - Destination & Attraction plan, successfully developing 62% of 21 target destinations in accordance with the adjusted work plan following the COVID-19 outbreak. 	<ul style="list-style-type: none"> Implement the project development plan, which includes construction of 2 projects, renovation of 4 projects and partial renovation of eight projects. Develop 15 new destinations.
 <p>Service Excellence</p>	<ul style="list-style-type: none"> Implemented traffic and parking management plans at all branches including 12 additional branches in 2020 and set up new transportation hubs in 4 branches. New parking lot signage has also been trialled at 2 shopping centers including centralwOrld and Central Ladprao. Delayed applying for ISO 45001 Occupational Health and Safety certification. 	<ul style="list-style-type: none"> Implement customer and tenant satisfaction plans in accordance with the annual strategic plan on new customer experiences and service amenities.
 <p>Technology and innovation</p>	<ul style="list-style-type: none"> Provided digital customer experience and strengthened O2O business model (online to offline) via Line official account: @central Life, which has more than 3.3 million followers – a 30% increase from 2019. The Company also ran more than 59 O2O campaigns in 2020 and adopted Augmented Reality to enhance customer experiences. Implemented the annual strategic plan to provide digital tenant experience via "CPN Serve", which has a utilization rate of 40% (owners only) and is used by 15,000 users, including owners and shop assistants. 	<ul style="list-style-type: none"> Implement Product Innovation - Destination & Attraction plan.

03 Stakeholder Engagement

The Company places considerable emphasis on stakeholder engagement as we seek to create sustained value for everyone and achieve the greatest possible impact. We engage with our stakeholders in a number of ways as detailed on the website: www.centralpattana.co.th/en/sustainability/sustainability-strategy/framework/stakeholders-engagement. At the Company, our stakeholders are divided into two categories: primary stakeholders and secondary stakeholders. The Company prioritizes integrating the primary stakeholder engagement plan into the annual business plan.



Management Approach

01

Tenant Management and Development

- Small and new entrepreneur development
- Tenant development
- Tenant engagement



02

Employee Management and Engagement

- Recruitment and talent retention
- Leadership development and capacity building
- High performance organization



03

Supply Chain Management

- Supplier selection and screening
- Co-Creating value and innovation
- Operational excellence to improving procurement process



04

Corporate Responsibility and Community Development

- Reducing impact on communities and the environment
- Community engagement
- Community development



3.1 Tenant Management and Development



Tenants are one of the Company's most valuable customers and every tenant's voice is important to us. At the Company, the tenant engagement team works under the supervision of Deputy CEO to support these direct customers in everything they need to grow together with us.

1. Small and New Entrepreneur Development

The Company offers a wide range of retail space options to meet every need of local and small businesses and fit all customer lifestyles and appetites as outlined below.



Pop-up Stores

Short-term leases for entrepreneurs to test the market in the common areas of shopping centers



Markets

The “Market Market” scheme provides spaces for vendors to sell products in front of shopping centers



Farmers Markets (Jing Jai Market)

Spaces for local organic farmers to sell agricultural products directly to customers



Retail Space for Gifts and Souvenirs

Premium souvenir and handicraft centers
e.g. Kad Luang Airport, Northern Village and Sam Samut Market



Take Away and Delivery Zone

Take away and delivery outlets in Food Park Zone

In 2020, the Company made the ratio of local and small retailers to total tenants as one of our sustainability goals to further our commitment to supporting SME operators and entrepreneurs. The Company also expanded “Start-up Market,” a scheme which now develops temporary retail spaces at shopping centers for local and small retailers and online businesses to test products and gain market insights.

The Company has established a plan to attract new entrepreneurs as part of the overall strategy to boost tenant occupancy by developing small store formats for small and local entrepreneurs such as “Local Hero” for graduates of CPN Retail Academy ready to expand their businesses into nearby provinces; “Shop in Shop” for entrepreneurs interested in renting a retail space of 10-20 sq.m., and “Multi brand store” for entrepreneurs wishing to get their products into stores but do not have a dedicated salesperson. In 2020, 266 new tenants have moved into 33 shopping centers, exceeding our target by 100%.

2. Tenant Development

The Company provides support to promising SMEs seeking to gain a competitive edge by offering two development programs to those new to the Company and existing tenants:

CPNlead (CPN Leading Entrepreneur Advanced Development Program)

is a program for the new generation of entrepreneurs who are looking to develop skills in modern trade. In addition to in-person classes, trainees also have an opportunity to test out business ideas at the “Younique market by CPNlead” event, held at Central Pattana’s shopping centers. The program, now its fourth year, attracted 64 applicants in 2020 a 50% increase in application rate from 2019. This year’s training, however, had to be put on hold due to COVID-19.

CPN Retail Academy

has been designed for small and local business owners who only have time to attend one or two-day training courses. The training, held in every region, is provided and facilitated by industry experts in the Company and Central Group with guest speakers including model entrepreneurs and businesses and aims to help trainees develop basic knowledge and skills in areas such as online marketing, customer relations, product development and visual merchandising mix design. In 2020, the program plan was divided into three trainings conducted for entrepreneurs in the southern and northeastern regions

between January and February 2020 and for entrepreneurs in Bangkok in December, which was broadcast to all branches. A total of 1,300 entrepreneurs took part in the program and the evaluation results showed a satisfaction score of 9.3 out of 10. In addition, the Company has developed “Train to be coach,” a new program to be launched in 2021 which aims develop a team of coaches at each branch who will help advise tenants on store layout design and marketing. In 2021, the Company plans to conduct basic training in every region; monitor and select promising entrepreneurs who meet the requirements to join the program; and support their business expansion and foster long-term partnerships such as open shop under Local Hero program.

3. Tenant Engagement

The Company works closely with our tenants to help them grow their business through engagement opportunities such as joint strategic planning sessions, Exclusive Campaign @CPN, nationwide campaigns during holidays and special occasions and other tenant relations activities. In 2020, the Company had to make adjustments in response to COVID-19 including reducing the number of the Company’s special marketing campaigns, cancelling off-site tenant relations activities, rolling out relief and rehabilitation measures to help shops and stores weather the crisis and organizing meetings with tenants to discuss marketing campaigns and activities to generate revenue and boost consumer spending.

Our Response to the Outbreak of Novel Coronavirus (COVID-19)

The outbreak of COVID-19 in Thailand and around the world has led to falling foot traffic at shopping centers since late February 2020. The Thai government, in its efforts to slow the spread of the virus in the country, announced a slate of public health measures including closure of shopping malls nationwide from March 22 - May 17, 2020. The 56-day closure affected more than 120,000 businesses in the shopping center industry including SME operators, retail stores, manufacturers, distributors and service providers. To support the company's tenants through these difficult times, four types of relief measures were rolled out:

1. Rents Waivers

during the temporary closure period and rent reductions for over 4,000 operators/stores.

2. Sales Channels

online shopping and delivery service via "Central Eats", "Chat&Shop", "One call one click" and "Deliver&Drive thru" platforms (as described in the Digital Customer Experience section of the 2020 Annual Report).

3. Ad Hoc COVID-19 Cross Functional Team

consisting of company staff from leasing, marketing and operations departments, the team held meetings with tenants and swiftly implemented relief measures under direct supervision of Deputy CEO. Tenant insights and views were presented at meetings with state agencies to inform decision-making about economic rehabilitation measures and programs.

4. Marketing and Sales Promotion included 3 types of activities:

- Storewide sale held four times instead of on a semi-annual basis under the campaign "Double Maga Sale" on double days including the 9.9, 10.10, 11.11 and 12.12, and marketing campaigns at select shopping centers e.g. Super Sale, Shop Duay Jai Thai Shuay Gun (Shopping new normal).
- Product-specific promotions for those hit hard by the crisis e.g. cosmetics, beauty clinics, sportswear with special offers from participating shops and prizes under the "60 Days 60 Exclusive item" campaign.
- Fashion brand promotions to help franchises clear excess inventory and boost sales during slower seasons through the "Greet Day Great Deal" campaign in which customers could redeem their 1 Card points for cash coupons to purchase products at participating brands.

Voices of Affected Businesses and Entrepreneurs – Food & Beverage



Nirada Chupotcharoen
Chief Financial Officer
Food Passion Co. Ltd.

“Central Pattana has always been there for BBQ Plaza and we are truly grateful for the rent reduction. Thank you Central Pattana.”



Kiatkong Kungwanwong
Senior Vice President
MK Restaurant Group Public
Company Limited

“Central Pattana has been a great partner to MK Group. Our company is doing our best and we are going to get through this together.”



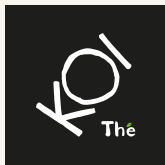
Noppadon Narittakurn
Owner
Hong Bao TCP Company Limited

“Thank you Central Pattana for implementing a rent relief program from the very beginning of the pandemic.”



Narong Puripipat
Owner
Sushi Hiro



“These are difficult times for everyone so I’m very grateful for everything Central Pattana has been doing for us.”



Nathapol Eksangkul
Managing Director
KOI The (Thailand)

“On the behalf of KOI The, I would like to thank Central Pattana for the support, assistance and coordination throughout the crisis. Our partnership will continue to get stronger.”

Sustainability Performance: Tenant Management and Development

Topic	2020 Performance	Plan for 2021
 Sustainability Indicator	<ul style="list-style-type: none"> With the ongoing pandemic, there are external factors that could affect tenant satisfaction. For this reason, "Tenant Satisfaction" was removed from our 2020 corporate performance indicators. Adjusted weighting of some indicators in shopper and tenant satisfaction surveys and aligned both questionnaires to be more. 	<ul style="list-style-type: none"> Establish "Tenant Satisfaction" as a corporate indicator and target to achieve the score of 80 in 2021 and 85 in 2025.
 Tenant Engagement and Development	<ul style="list-style-type: none"> Achieved recruiting new tenant at 50% from target in this difficult COVID-19 situation. Despite the postponement of CPNLead Class 4, the company continued to support the development of CPNLead Class 1-3 as planned and new business openings and expansions among trainees increased by 30%, compared to 2019. Implemented strategic promotional plans. 67 new pop-up stores were opened. Supported small and local entrepreneurs to operate 4,541 modern trade stores. (Data as of 31 December 2019 and include double counting of some stores) The 14% decline was largely due to the outbreak of COVID-19. 	<ul style="list-style-type: none"> Recruit new tenant up 10% from 2020. Implement the strategic promotional plan and increase the number of pop-up stores by 90%. Target to increase the proportion of local businesses to 10% of tenants by 2022.

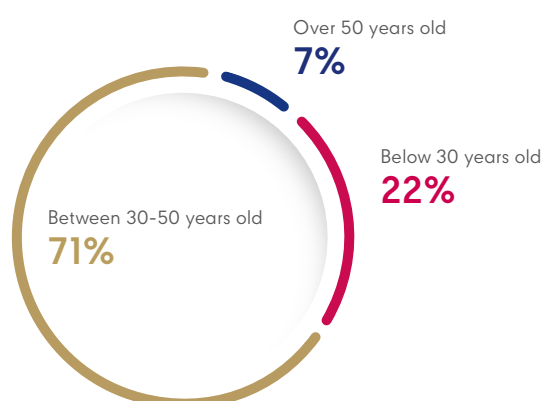
3.2 Employee Management and Engagement



We believe in creating an equal, fair and inclusive workplace where good governance and human rights principles are respected and upheld as described in Section "Corporate Governance" of the 2020 Annual Report. Our strategy for becoming an Employer of Choice is as follows:

1. Recruitment and Talent Acquisition

At Central Pattana, we provide equal opportunity for all applicants and employees without regard to gender, race, ethnicity or other differences as shown below from our age diverse workforce - 71% of whom are between the ages of 30 and 50.



In 2020, Due to the COVID-19 pandemic, the Company slowed recruiting and hiring for some roles and focused more on developing internal mobility for existing employees. This year, 16 employees asked for relocation.

There were 15 inter-company transfers within Central Pattana and Central Group including 2 employees moving to Central Group subsidiaries and 13 employees moving from other subsidiaries, which accounted for 13% and 87% of all employee transfers, respectively.

Recruitment and Manpower Planning

Project	2020 Performance
Work Integrated Learning or WIL combines classroom study with work experience through partnerships between industry and educational institutions enabling students to integrate theory and practice and gain real-world work experience. Students in the program receive stipend and the same health care coverage as full-time employees.	The three-year program has welcomed the second class of 14 students (August 2018 -July 2021) and to date, 64% of graduates have joined the Company. With declining interest among students, we are reviewing the program and will hold off on inviting new applications.
Central Group Management Associate (MA) is run by Central Group and aims to attract young talents to our company and subsidiaries.	With Central Group putting the program on a one-year pause, we launched the call for MA applications internally and externally and three persons were accepted into the program. In 2020, 90% of overall MA trainees participating in job rotation are still working with the Company.
General Manager Trainee or GM Trainee program which trains employees to become general managers in support of future business expansion. The course focuses on on-the-job learning and covers the fundamentals of a general manager's job, work process and leadership development with mentoring and coaching provided by current general managers.	To date, 20 trainees have continued work under the program, which is currently in its fourth year, and only 4% have dropped out.
Extension for Retirement offers employees nearing retirement 1- or 2-year employment extension upon mutual agreement and based on job function.	To date, 2 employees have participated in the program.

2. Leadership Development and Capacity Building

We recognize that people development is key to building and retaining a talented workforce as well as driving productivity and growth especially in today's hyper-competitive job market where recruitment, retention and development of employees must be an integrated process.

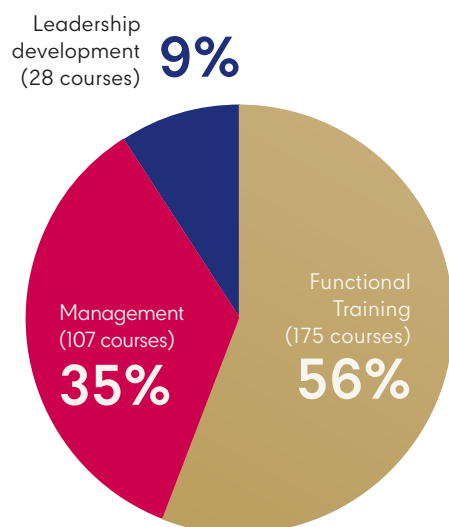
Leadership Development	2020 Performance
Key position identification and succession planning for successor.	In 2020, 100% of key C-Suite (n, n-1, n-2) positions have been identified.
Individual Career Development Plan: ICDP is for high-performing and outstanding employees. The initiative monitors employee progress on a quarterly basis.	The target for participation was met as 96% of target employees took part in the initiative (353 out of 369 employees).
People manager program builds capacity of employees at assistant manager level and higher helping them become an effective people manager who possesses seven key qualities ¹ as defined by our core values. To identify areas for improvement, participants will receive a 360-degree feedback from their supervisors, peers and subordinates.	In 2020, 52% of target employees (161 out of 310 employees) attended the training, which is offered as a microlearning and self-directed program via PacD.

Remark: ¹ (1) Self-control (2) Allow others to shine (3) Be a good coach (4) Show appreciation (5) Listen well (6) Foster collaboration (7) Ability to adapt and adopt new technology

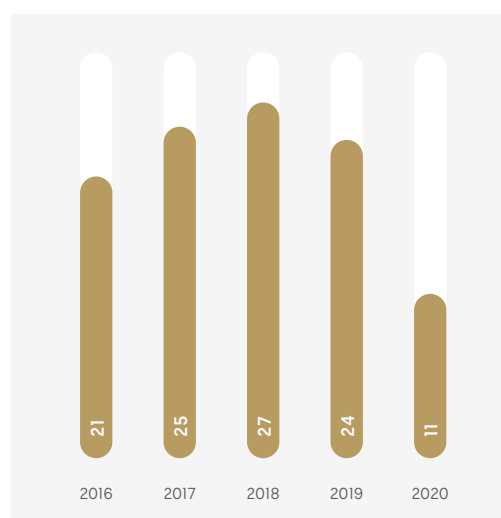


Leadership Development	2020 Performance
<p>Competency development is based on the functional training roadmap with courses established for each unit and job role and monitoring and evaluation at specific times.</p>	<p>Started developing Functional Competency for core frontline functions beginning with Property Management in 2020 and followed by four more units in 2021.</p>
<p>Digital skills training prepares employees for digital disruption and transformation.</p>	<p>Trained employees on new systems to help them adapt to the digital transformation in the company including Construction online, ICON Residential, Preventive Maintenance and CPNServe. All employees also received online training on the new Human Resource Information System, "CneXt," ahead of its rollout. The digital skills trainings provided throughout the year covered 89% of the workforce.</p>
<p>Skills and ethics training aligns with our core values and focuses on corporate governance and occupational health and environment.</p>	<p>Conducted employee trainings on corporate governance with the focus on anti-corruption, human rights, PDPA and public safety e.g. 22 basic firefighting classes, training on maintenance of heavy equipment such as cranes, training on electrical system maintenance, training on operation and maintenance of wastewater treatment, fire alarm training, first-aid training, security training and ISO 45001 training. Throughout 2020, 18 trainings were conducted by internal and external trainers and attended by 487 participants (include employees attending more than one training), covering 10% of employees.</p>

Employee Training Programs 2020



Average Training Hours (hours/person/year)



Our employees are provided with training and development opportunities according to the plan described above. With a shift to E-Learning during the COVID-19 pandemic. Throughout 2020, the Company conducted 67 training courses - an increase of 91% from 32 courses in 2019. The results of the course evaluation surveys showed that 92% of employees were satisfied with the trainings they received (unchanged from 2019). Our approach to employee development, which is based on the 70:20:10 Model for Learning and Development, emphasizes learning through experience and focuses on cross-functional learning and development during the pandemic. In 2020, our employees, on average, received 11 hours of training per year, which is 54% lower from 2019 as planned.



Employee Development through the GM Program

At present, the Company operates shopping centers both in and outside Thailand. Amid shifting business landscape, rising competition and changing customer behavior, our general managers must be big picture thinkers and are able to deliver profitable and sustainable growth despite challenges and, like CEOs or business owners, know how to best utilize data in managing the shopping centers. This requires business and commercial knowledge as well as analytical and management skills. The Company, therefore, have joined hands with Thammasat Consulting Networking and Coaching Center - CONC Thammasat to develop a flagship program to equip our general managers with the knowledge and skills they need to create sustainable business growth. The course consists of three parts including a 7-day intensive training, work assignment and on-the-job training and each trainee is required to submit a single business strategy and implement it at the shopping center under their management within a period of 5 months. In addition to one-on-one coaching sessions, trainees will have the opportunity to present their plans to management in 2021, which will be assessed based on the performance of the shopping centers they manage.

Additionally, the Company has established a two-year conditional grant program for employees looking to pursue a master's degree. After passing the first screening, applicants will be interviewed by the selection committee and the scholarships awarded based on attitude and commitment to the betterment of self and society. To date, the program, which was launched in 2016, has awarded scholarships to 17 employees including four employees in 2020.

At the Company, we encourage learning and innovation and have been organizing innovation challenges under the "Dreamteam Pro" and "Dreamteam Mini" projects, which are now in their tenth year to give our employees an opportunity to pitch ideas for process improvements, problem-based solutions and value creation under the quality management system framework. "Dreamteam pro" is a problem-solving competition based on the PDCA (Plan-Do-Check-Act) cycle and QC Story, while "Dreamteam mini" is a quick win challenge based on the Kaizen method - reduce, eliminate and make changes for better results. Due to COVID-19, only "Dreamteam mini" was held this year. The competition received 133 project submissions, representing 10% employee participation and it is expected that their inventions would help lower operating costs by Baht 1.4 mn per year.

“Dream Team Mini” Contest Results: COVID-19 Edition

The Sound of Service by Central Westgate Team

During the pandemic, the Company issued a safety measure requiring customer relations employees to wear face masks and face shields and provide their service from behind acrylic counters to ensure employee and customer safety. The measure had an unintended effect causing communication issues, which affected both service quality and customer satisfaction. The Central Westgate Dreamteam, consisting of employees from customer services and systems engineering, came up with a simple solution to address the problem - setting up a speaker and a microphone at both sides of each customer service counter and a hidden on-off switch that would only be turned on when a customer starts talking. Low cost, effective and in compliance with the safety measure, the solution was a great success and was subsequently rolled out at all branches.



▲ Customer counting device in fOODwOrld



▲ Escalator distance warning device

Visitor Counter for Food Parks and Proximity Sensor for Escalators by Central Hatyai Team

Due to the COVID-19 outbreak, many employees had to be assigned to screening tasks including temperature checks, asking customers to check in and check out with the contact tracing app “Thai Chana” or given a new role to carry out other safety measures such as monitoring the number of customers in the Food Parks and encouraging social distancing on escalators. This resulted in staff shortages and ineffective manpower utilization. To solve the problem, Central Hatyai Dreamteam, utilizing infrared sensor technology, developed a visitor counter and a proximity sensor for escalators. The infrared counter automatically counts customers entering and exiting the Food Parks with a screen displaying the number of people allowed inside. To promote social distancing on escalators, infrared sensors are set up on both sides of the escalators to detect customers and warn them to maintain physical distancing. Further refinements were made to increase visual appeal and ease of use after photos of the prototypes were shared with the COVID-19 Ad Hoc Team and the final versions of both devices were installed at every branch.

3. High Performance Organization

Performance Management

Continuing from 2019, the Company updated our job evaluation standards and responsibilities by using the tools and job family framework of Central Group. In addition to adding positions to the job structure, adjustments were also made to the employee performance review process. The new process follows 3 steps.

- 1) Self-evaluation in which employees measure their performance against the goals and objectives laid out in the Individual Performance Management Plan, which is divided into four parts: 1) Shared corporate result; 2) Strategic result in four dimensions - G-Growth, B-Brand, E-Efficiency and S-System; 3) T-Team result; and 4) Special project result, which covers projects or special plans carried out with colleagues from different departments, divisions or outside the Company.
- 2) Supervisors will provide face-to-face feedback to employees.
- 3) The initial performance ratings will be collectively discussed at manager-level meetings in the calibration process, which is the last step. The final results are used to determine pay raise, annual bonus and promotion as well as create individual development plans for the following year. In 2020, the Company also began using 360-degree feedback to enable employees to feedback their supervisors through the People manager survey of which 96% of employees took part in the evaluation.

Enhancing Work Environment

Through the "Smart office" project, we are building a modern workspace to fit our employees' needs and changing lifestyles. Remodeling began in 2019 but, due to the COVID-19 pandemic, work models and office designs had to be re-adjusted to ensure workplace safety and health. A new communication channel via Workplace management application was also added to make facility support services more convenient for our employees.

Process Improvement

Aligning with good governance principles, the Company continues to improve human resource management to offer competitive employee benefits package. At the Company, compensation and promotion of employees are determined without regard to gender, race, ethnicity and disability. Using the same process, this year we focus on adjusting the benefit offerings to better accommodate changing lifestyles and needs. This includes supporting air travel for all staff, offering health insurance to employees' families, expanding health care coverage at partners hospitals and negotiating a special arrangement for COVID-19 insurance purchase. As part of modernizing the Company's job structure, layers of management have been reduced and the span of control increased giving employees greater job autonomy.

Digital Transformation

In addition to implementing smart systems for employee-employer transactions, the Company, as part of our digital workforce development plan, launched a new Human Resource Information System "CneXt," which supports both self-service and work from home, to help speed up HR process. During Phase I of the system rollout, key functions performed by CneXt included Employee profile, Benefit & Payroll, Recruitment Management and Learning Management System. Ahead of the rollout, the Company implemented an online company-wide training program between May and June 2020 holding 344 classes, which were attended by 98% of the workforce or 4,848 employees. The success of the rollout was partly due to the deployment of CneXt Change Agent who helped employees in their departments and subgroups learn how to use the new system and passed on their comments and feedback to developers for improvement. As the Company accelerates towards digital HR transformation, in 2021 all HR operations including Performance management will be run through the CneXt system.

Employee Safety

We comply with safety and health legislation and have set up Occupational Safety and Health Committees (OSHC) at corporate and branch levels. The committees have 346 members - 186 members representing the employer and 160 members representing the employees – who represent 7% of the workforce (contract employees are not included). The responsibilities of the Corporate Occupational Safety and Health Committee now include conducting a safety walk on a quarterly basis and, if found, site incidents or hazards and risks needing corrections will be reported by scanning the QR Code on the Workplace Management application. The proactive efforts undertaken to prevent and reduce workplace incidents and occupational diseases and address unsafe environment led to improved safety performance, as detailed in Section “Employee Development and Engagement” on the website at www.centralpattana.co.th/storage/download/sustainability/reporting-library. Work-related injuries recorded in 2020 were primarily due to carelessness and included personal injuries sustained by employees while trying to mitigate an impending accident. One site accident reported by our contractor was also caused by carelessness. The Company thoroughly investigates all workplace incidents and learnings from them are implemented to prevent recurrence of similar incidents. Safety inspections are also conducted on a regular basis and the implementation of corrective actions is tracked until completion and reported to all relevant bodies. During the outbreak of COVID-19, additional safety and health activities were carried out to foster a strong health and safety culture.

In our efforts to standardize procedures for occupational safety and health, the Company is preparing to achieve ISO 45001 certification and began using the Smart Property system to record incidents under Incident category for report, risk assessment and prevention.

Respect for Human Rights

We promote respect for human rights of our employees and stakeholders and are committed to making sure our company is not complicit in any human rights abuse. In 2020, the Company conducted HRDD-Human Right Due Diligence and HRIA-Human Right Impact Assessment with our employees (as described in the 2020 Annual Report's Human Rights Policies and Procedures section). The outcomes informed our development of the Human Rights Roadmap 2020-2022 under the “Guiding Principles on Business and Human Rights: Implementing the United Nations ‘Protect, Respect and Remedy’ Framework.” The roadmap, covering three focus areas including safety, respect and fair and consisting of six core plans, sets out expected outcomes as well frequency of reporting to the Corporate Governance and Sustainability Committee.

Human Rights Roadmap 2020-2022

- 1) Review policies and procedures on rule of law and human rights.
- 2) Raise awareness of the company's online whistleblowing system, which is available at <https://www.centralpattana.co.th/en/whistle-blowing>, inside and outside the Company.
- 3) Promote the rights of employees including subcontract employees to a safe and healthy workplace.
- 4) Revise the Fair and Equal Treatment practice.
- 5) Implement the Protect, Respect and Remedy Framework for customer relations employees (including subcontract employees).
- 6) Conduct human rights training for supervisors, employees responsible for managing and overseeing other employees and subcontract employees.

Employee Retention and Engagement

Our approach is as follows:

- Listen to their opinions and suggestions, ensuring fair treatment of employees at all levels and encouraging dialogue and collaboration between the Company and employees or employee representatives in informing decision-making about the quality of working life.
- Integrate corporate culture, values and beliefs, which serve as our guiding light in thinking and decision-making, into the everyday fabric of the Company to align employees with Central Pattana's purpose of "IMAGINING BETTER FUTURES FOR ALL." The shared beliefs instilled in our employees will guide everything they do at work including striving for continuous improvement to achieve better futures for all. The four core beliefs we live by are: POSITIVITY, DYNAMISM, CUSTOMER CHAMPIONS and COMMUNITY AT HEART. At the Company, we nurture and create different types of change agents from Central Pattana Leader, a leader who lives and breathes our four core beliefs; to CneXt Change agent, a leader who guides the rollout of the CneXt system; to Centrality leader, a leader in creating shared value.
- Develop an employee engagement survey under "CG Voice," based on Aon Hewitt's Employer of Choice survey methodology, to assess employee engagement in two dimensions - basics and engagement drivers, which are divided into four and three categories, respectively. In 2020, 95% of employees took part in the survey, which revealed an overall employee engagement score of 83%. This was a 14% increase from 2019 and by Aon Hewitt's standard puts Central Pattana in the high performing company category. The Company's human resources team and division heads will analyze the survey data including the engagement score and factors influencing employee engagement and use them to develop employee engagement plans and report the findings to the People Development Committee and the Recruitment and Compensation Committee. In 2020, priority was still given to addressing factors that affect talent engagement, and employee engagement score and turnover rate were both established as performance indicators.



Adaptations amid COVID-19 Crisis

In the wake of the COVID-19 outbreak, the Company had to close all shopping centers for 56 days. Measures were rolled out to protect the health and safety of our employees and support them through these challenging times.

- Additional employee management measures during the outbreak included COVID-19 insurance for employees; distribution of masks and sanitizers; establishing work from home guidelines, A/B Day shifts; strict screening, reporting and quarantining process; putting in place protective measures for vulnerable groups such as pregnant women; and launching a COVID self-assessment application for employees.
- Switching to VDO conferencing, cloud-based information systems and remote working through e-workflow.
- Utilizing social media for employee communications and engagement to stay connected with our employees and ensure that they are kept abreast of the company news and updates; and launching a virtual employee engagement initiative including hosting real-time activities on Workplace Live under “HC We Care LIVE” on every Tuesday and Thursday to update employees on work-related news and under “Happy Friday,” which were held on Fridays to give employees a chance to relax and have fun together as well as share stories and experiences. Additionally, a psychiatrist was invited to offer advice on self-help and stress management.
- Leading by example, the Company management recognized the dedication and work efforts of employees during the COVID-19 outbreak and kept them informed through:



- **Sharing Smiles** - As a follow-up to thank you video messages during the closure, our executive management team, once restrictions were eased, travelled across the country to all 33 branches to show support and lift employee morale under the activity #WeWillGetThroughThisTogether.
- **Q&A with CEO** - The activity gave employees an opportunity to connect directly with our CEO and ask him questions about the direction and state of the Company and the impact of COVID-19 on the business via Workplace. Mr. Preecha Ekkunagul personally responded to every question submitted on the platform and posted his replies on the Company's internal communications channels.

When the COVID-19 situation began improving, the Company employed both online and offline channels to communicate and inform employees of the Company's direction and new developments to keep morale up and boost their confidence through carrying out the following activities:

- **Lunch with CEO** - Employees are invited to join our CEO for lunch where they engage in casual and informal conversations. The activity was launched in August and held 5 times through August – December 2020 where 60 employees attended.



- **Townhall** is a platform for two-way communication held at the company hall and livestreamed company-wide or to select groups so that employees and management can share updates and ask questions. The first townhall meeting was held in October 2020 to communicate change and drive alignment around the Company's objectives and shared values that shape the identity of Central Pattana as the company that is "Imagining better futures for all."

- **Central Pattana Step Up Challenge** - From encouraging employees to stay fit by walking or running and converting those steps into money for charity, #NextStepWithCentralPattana (formerly CPN Step 2 Share) has now been expanded to include any form of exercise to support employee health and wellbeing. Marking the 40th anniversary of the Company, the goal of 40,000,000 steps had been set and the cumulative steps were counted between November and December 2020.

Result



The employees (tallied during the period) took part in the activity.

1,416

or

29%



The cumulative distance walked has reached

354,923,557





steps

which equal

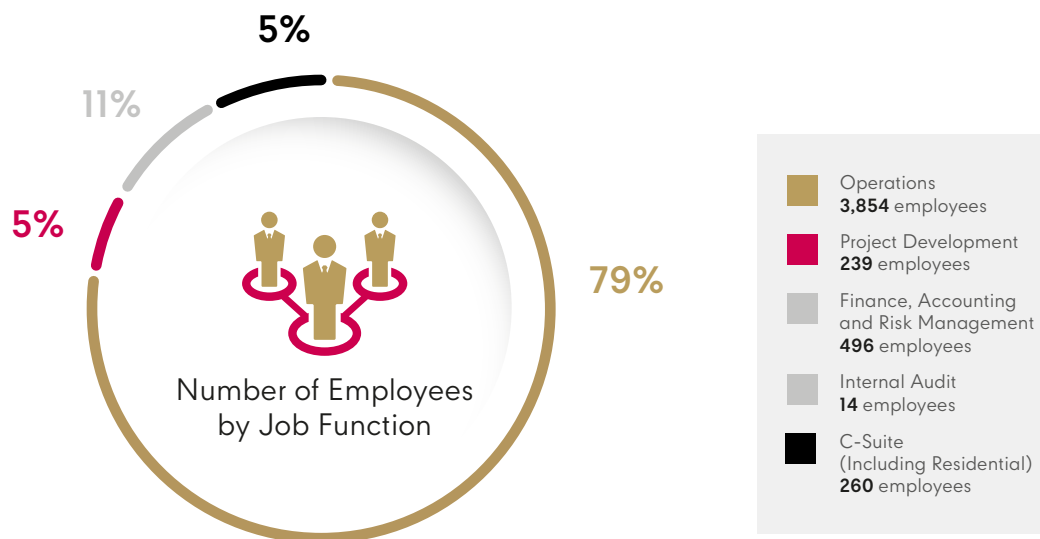
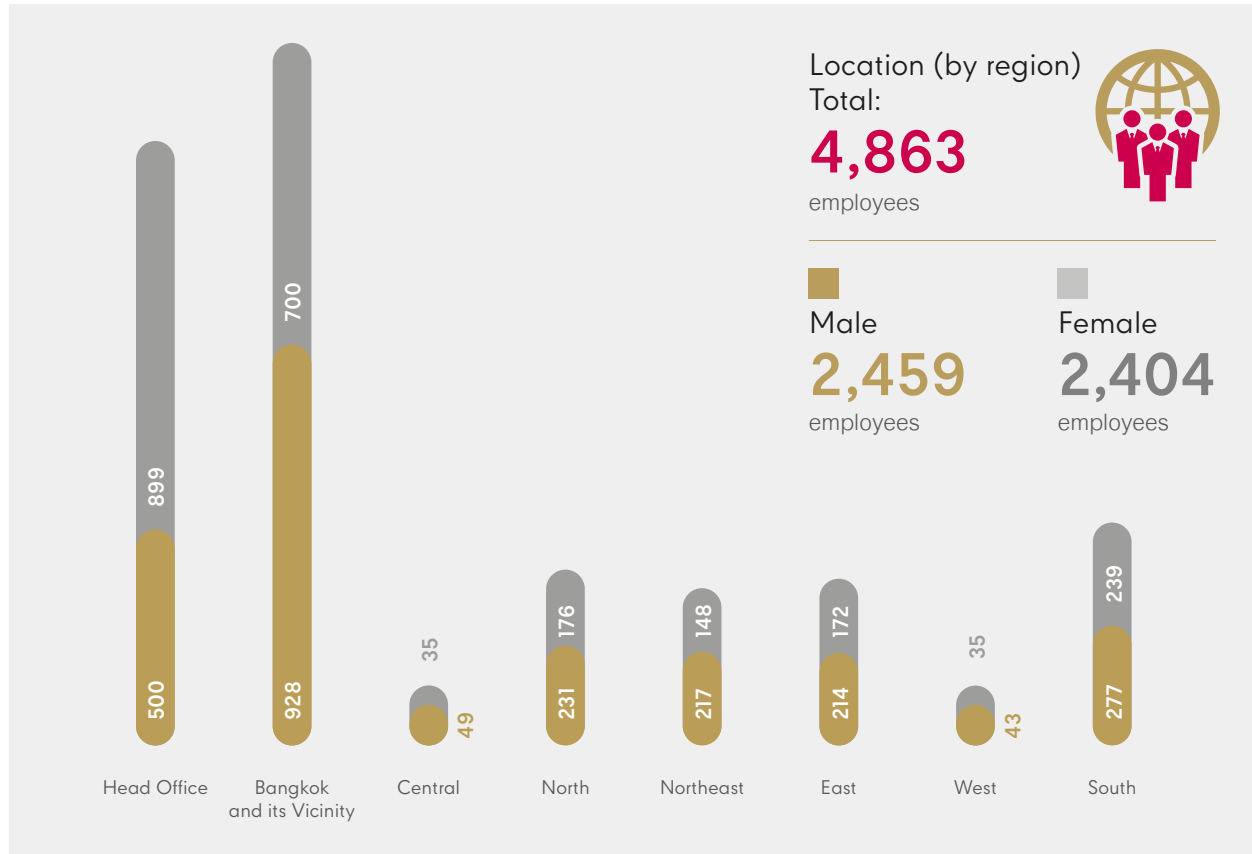
283,939

kilometers (1,250 steps are equal to 1 kilometer), well above the target.

Sustainability Performance: Employee Management and Engagement

Topic	2020 Performance	Plan for 2021
 Sustainability Indicator	<ul style="list-style-type: none"> Established “CG Voice Score” as a performance indicator and target to achieve an employee engagement score of 75%. In 2020, the Company achieved an employee engagement score of 83% - a 14% increase from 2019 and surpassing the target by 11%. 	<ul style="list-style-type: none"> Establish “CG Voice Score” as a performance indicator and target to achieve an overall employee engagement score of 77% and a talent engagement score of 75%.
 Recruitment and Talent Acquisition	<ul style="list-style-type: none"> Carried out the Employer of Choice plan primarily through online channels. In addition, the Company, as part of Central Group, has been ranked among the country's top 10 most attractive employers for young people. (www.workventure.com) No union members were employed and there were efforts to unionize. 	<ul style="list-style-type: none"> Implement the Employer of Choice plan.
 Leadership and Employee Development	<ul style="list-style-type: none"> Strengthened the capacity of shopping center general managers in business management and sustainability partnerships through implementing the GM Program. Monitored the implementation of the Individual Career Development Plan: ICDP in which 96% of target employees were making progress on their career path as planned. 	<ul style="list-style-type: none"> Implement the GM Program and use HCROI to measure the project outcome. Identify key n-3 positions and successor.
 High Performance Organization	<ul style="list-style-type: none"> Through implementing the employee engagement plan, employee voluntary turnover rate dropped considerably but remained within the normal range. The Company recorded no employee complaints or labor disputes. 	<ul style="list-style-type: none"> Conduct a study on organizational restructuring to support agile transformation. Build a corporate culture based on four core beliefs. Implement the Human Rights Roadmap 2020-2022, which covers three focus areas including safety, respect and fair.

Total Number of Employees in 2020





3.3 Supply Chain Management

The Company works collaboratively with our suppliers to ensure transparency and fairness in all supply chain activities. Together, we seek to minimize the impact on communities, society and the environment and uphold human rights and safety compliance. Our supply chain management plan, which guides how we engage with suppliers across the value chain from development and construction to operations and marketing to corporate, categorizes our suppliers into 12 groups by service provided (as shown in our website: www.centralpattana.co.th/en/sustainability/sustainability-strategy/stakeholder-engagement/supplier).

Supply chain planning at the Company involves analyzing supplier risks in two dimensions – risks in product and service delivery and environment, social, and governance (ESG) risk and evaluating suppliers based on annual spend, dependency and substitutability and difficulty to replace (e.g. services reliance on unique expertise). According to spend analysis (which derived only suppliers in Operation, Marketing, Corporate and exclude utilities providers), 54 of the Company's 4,018 suppliers in 2020 received more than Baht 10 mn in spend annually and accounted for 52% of total procurement spending.

2020 Supplier Spend Analysis

Supplier Tier	Spend Tier (only suppliers in Operation, Marketing, Corporate and exclude utilities providers)	Number of Suppliers	Spend (Baht mn)	% of Spend
Tier 1	More than Baht 10 mn	54	2,103	52
Tier 2	Over Baht 1 mn but not exceeding Baht 10 mn	468	1,448	36
Tier 3	Less than Baht 1 mn	3,496	499	12
Total		4,018	4,050	100

The Company used the result from spend analysis, classified further into nine sub-categories¹, to improve procurement process as a part of corporate operational excellence plan.

The Company employs a number of strategies to manage risk in our supply chain. This includes identifying potential

suppliers and encouraging sustainability practices through supplier selection, screening and performance evaluation, collaborating with suppliers to develop innovative solutions and optimizing our procurement process under operational excellence project.

Remark: ¹ (1) Office administrative (2) General product (3) IT/Service standard/Audio visual (4) Building&system supplies (5) System maintenance service agreement (6) Outsource&subcontractor (7) Marketing relevance (8) Food supply and service and (9) Building service and renovation.

1. Supplier Selection and Screening

Identifying prospective suppliers is an important part of our supply chain management strategy. We encourage companies to explore new possibilities with us to reduce dependency and increase opportunities for local and small businesses. Prospective suppliers can register their company via our partner's online registration portal. In 2020, the Company received 1,147 new suppliers result in 4,060 total suppliers (as of December 2020), while 1,162 suppliers are local suppliers and 358 suppliers are online registered suppliers (27% and 9% of total suppliers respectively).

At the Company, users are required to complete a supplier evaluation by scanning a QR code on every purchase order and every item purchased through the Company's procurement system. This information is automatically fed back to our suppliers including corrective actions and used in our supplier selection process in the following year. In 2020, 51% of total activated suppliers were passed supplier evaluation process. The outcome from the evaluation led us to improve our tracking PO system more efficiency by reduce human error in inputting process.

The outbreak of COVID-19 has pushed the Company to re-imagine our supplier identification process and make changes to better meet user needs. For example, as factories struggled to keep up with the demand for hand sanitizers amid the pandemic, the Company addressed the shortages by working with alcohol manufacturers and cosmetic packaging companies to produce and package hand sanitizers and distribute them to all branches.

2. Co-Creating Value and Innovation

In 2020, the Company continues to work collaboratively with suppliers to develop innovative solutions especially in the area of development and construction. Below are some of the examples:

- Partnered with The Siam Cement Public Company Limited and S.M. Concrete and Construction Limited to use recycled concrete aggregates (RCA) obtained from pile foundation to build roads in the Central Siracha project, which reduced transport of materials, bringing a positive impact on the environment and contributing to a GHG reduction of approximately 198.26 tCO₂ eq.
- Utilized Building Information Modeling (BIM) to create a 3D virtual construction of subtextures, which not only improves efficiency and coordination among stakeholders but lead to shorter project lifecycles and lower costs. The Company trialed the technology in the Dusit Central Park project.
- Worked with Trusty Project Management Co., Ltd., Standard Performance Co., Ltd. and SSS&P Engineering Supplies Co., Ltd. in implementing expansion of "Journey to zero" in the development of Central Siracha. The Company, with partners, trained construction workers to properly sort food waste and produce fermented bio-extracts in their living quarters to prevent odor problems in the construction site. According to the monthly surveys the Company conducted with residents in the surrounding communities, the satisfaction level of respondents regarding the solution to odor issues increased by 56%.
- Expanded the reuse concept, for instance, replacing floor-to-ceiling wall partitions in renovation projects with steel knock down partitions, which are less intrusive and more portable and can be taken down and repurposed in other projects. The materials were trialed during the renovation of Central Rama 2. Another initiative is the reuse of 20 storage containers as temporary office and living quarters at construction sites, which would be transported and reused at other sites when needed. Now, the containers have been relocated and are being reused in Central Ayutthaya project.
- Expanded the reduce concept, for instance, introducing an online system for SI: Site Instruction to enable digital authorization and mass notification to reduce paper-based correspondence between the Company and contractors resulting in 10% reduction in paper consumption. This year, the Company also rolled out the Defect Online Application in all construction projects after a successful trial at Central Pattaya Beach leading to 30% reduction in paper use.
- Expanded the recycle concept, for instance, installing combined drainage systems to reclaim and recycle condensate from split-type air-conditioning systems at Central Siracha and Central Ayutthaya projects after a successful trial at Central Village.

- Continue the Environment and Health program, the Company began mandating installation of dust collectors at all construction sites; installed filters and spray nozzles at all shopping centers' Fresh Air units; replaced standard fans with energy-efficient fans or EC Plus; and trialed UVC sterilizers and plasma sterilization systems at centralwOrld.

During the COVID-19 pandemic, the Company and our contractors have put in place prevention and protection measures at all project sites including temperature checks, setting up automatic disinfection gates and hand washing and sanitizing stations and providing masks to workers who are required to wear them while on premises.





Learn more about Co-Creation and Innovation on page 136 of the 2019 Annual Report and at www.centralpattana.co.th/en/sustainability/sustainability-strategy/stakeholder-engagement/supplier

3. Operational Excellence to Improving Procurement Process

As a continuation of last year's plan, the Company, together with external consultants, continues to optimize our procurement process and supply chain. At the Company, we classify goods and services into nine procurement categories¹ (excluding development procurement and utility providers) and put in place five key operational plans:

- Strategic sourcing: Perform a procurement analysis in two aspects: 1) by value and quantity per purchase order; and 2) total purchase orders issued each year to improve sourcing.
- Master data structure and register in catalog: Enable improved data quality, more efficient catalogue buying and robust data collection and analysis.
- Supplier partnership: Develop strategic partnerships with suppliers based on spend analysis and work collaboratively with these partners to improve procurement process and build innovative solutions. In 2020, the Company aimed to develop partnerships with four top suppliers for office administrative, general product, building and system supplies and marketing (assessed in terms of annual spend, frequency and distribution capability).
- e-Procurement: Improve the system to better align with the new procure-to-pay process and rolled out Robotic Process Automation (RPA) to automate routine and repetitive tasks and minimize human errors.
- Strategic buying: Analyze the value and use case of products/services and use these data to guide decisions about buying and contract award process e.g. high value goods/services - normal use and low purchase frequency, low value goods/services - frequent use and high purchase frequency.

Sustainability Performance: Supply Chain Management

Topic	2020 Performance	Plan for 2021
 <p>Sustainability Indicator</p>	<ul style="list-style-type: none"> Process Improvement, which included purchase/procurement process and supply chain management was completed as planned (Phase I). 	<ul style="list-style-type: none"> Continue Phase II of Process Improvement for Operations.
 <p>Supply Chain Management</p>	<ul style="list-style-type: none"> 1,147 new suppliers and contractors (do not include foreign suppliers) or 100% of new suppliers in 2019 passed the sustainability assessment, which covered economic, environment and social dimensions. Assessed service quality of active suppliers and contractors in 2020 via the online supplier assessment system, which was completed by direct purchasers/procurers. This year, 36% of purchase orders placed through the online purchase/procurement system. Used e-auctions for 85 procurement projects worth more than Baht 185 mn, making cost management 33% more efficient. The Company had 1,162 local suppliers representing 27% active suppliers in 2020, generating Baht 880 mn circulated in community. The Company recorded a minor accident, in which workers had to pause work for 18 of the 4.1 mn hours worked in the development and renovation projects this year. The Company did not receive any complaints or grievances regarding human rights violations, labor exploitation or negative community and environmental impact due to development and renovation projects in 2020. 	<ul style="list-style-type: none"> Target to increase the proportion of local and retail suppliers throughout the supply chain to 10% of suppliers by 2022. Form strategic partnerships for innovation and supplier development.



▶ Innovation method: Recycle piles to be Recycled Concrete Aggregates for subbase.



3.4 Corporate Responsibility and Community Development

The Company has put in place a community development policy which focuses on building participation, community empowerment, quality of life and local pride. Our management approach is as follows:

1. Community and Environmental Impact

The Company seeks to reduce the impact we have on the communities in two respects related to corporate – traffic management and the environment, which is described in the section “Transforming Shopping Complexes into the Center of Life / Service Excellence/ Transport and Parking Services” and the section “Resource and Environmental Management Excellence”, respectively. In 2020, no corporate activities have appreciable impact on the communities and the environment.

2. Community Engagement

Honoring Local Identity through Building Design

to instill pride in communities and promote local cultures. The Company has established design guidelines for our buildings in which local identity and heritage are to be incorporated into the structures and interior and exterior design of the building.

- The design of Central Si Racha is inspired by the semi-outdoor and green spaces of Central Eastville in Bangkok. As an industrial city, Si Racha people lead a busy, on-the-go lifestyle. Under the “House of Si Racha” concept, we are creating the “third home” for our customers where they can relax and shop with comfort and ease. In-store browsing and shopping

experience is a journey from room to room and each of the shopping center’s floor has its own theme. For Fashion Plus, it is “Dressing Room,” a dream walk in closet for every shopper; Food Park is “Town’s Kitchen,” which incorporates metal and wood accents into the design; Lifestyle Zone is “Playroom,” offering seamless journey of fun and play; Furniture, IT and Banking Zone is “Living Room,” a nature-inspired lounge and lobby; and Family Zone is “Family Room,” which is divided into separate areas from “Fun Attic,” a dream space for children and young people to expand their imagination to “Dining Pod,” where friends gather and share delightful meals in private dining pods to “Learning Pod,” an edutainment zone for children.

- The concept behind Central Ayutthaya is “The Prosperity of the Capital”, which is based on the Kyoto Model, a city in Japan that has been able to retain its unique cultural identity. The design is organized into four themes: Essence of Ayutthaya, Tourism, Lifestyle and Community. For example, the building façade borrows the style of late Ayutthaya period twelve rabbeted-angled Chedis and the shopping center’s outdoor areas are designed to reflect the cultural heritage of the province, which is home to one of UNESCO World Heritage Sites. To highlight Ayutthaya’s vibrant trading past, the traditional Thai house-inspired interior design is decorated with household items and everyday objects from Ayutthaya period and the present day.



Refer to our website for more details on Honoring Local Identity through Building Design at www.centralpattana.co.th/en/sustainability/sustainability-strategy/stakeholder-engagement/community

How Local Identities are Showcased through our Building Designs Year 2019-2021

Shopping Center	Heritage-inspired Façade Design
Central Village	Ideal city of ancient Thailand founded on the land of gold with palaces, temples, houses and markets
Central Si Racha	Third home, a warm, inviting eco-friendly space offering seamless journey and natural greenery
Central Ayutthaya	Late Ayutthaya architecture e.g. twelve rabbetted-angled Chedis, recognized as worthy of World Heritage listing

Financial and In-kind Contributions

1) Public Space Projects



In-Kind Giving



Community Investment

In 2020, the company has allocated a combined space of more than 2,500 sq.m. for community use including Ayutthaya living square, a reconstruction of Ayutthaya-era public square where visitors and locals can glimpse into the city's past and learn about its history and culture and Ayutthaya Interactive Gallery, which offers everyone from tourists to students an opportunity to explore the history of Ayutthaya through digital technology, offering a richer learning experience than reading or museum visit.



Refer to our website for more details on Community and Public Facilities for Community Use at www.centralpattana.co.th/en/sustainability/sustainability-strategy/stakeholder-engagement/community



2) Free and Discounted Use of Space



In-Kind Giving



Community Initiatives

For state agencies, educational institutions, civil society organizations and non-profits including the Thai Red Cross Society. In the last 33 years, the Company and Central Group has provided space for the Thai Red Cross Society to set up temporary blood donation stations at the facilities we own. The partnership has led to a plan for permanent allocation of space for blood donation stations at shopping centers with the first fixed station open at the Government Center, Central Hat Yai, which collected 697,500 cc of blood in 2020. Additionally, 100 Central Group employees participating in the “Mask for Blood Hero” project made a trip to the National Blood Center, Thai Red Cross Society, to donate blood, giving 40,000 cc in total. The Company also held 21 blood donation activities at 33 branches across the country under the “Plus 1 More Donations, More Lives Saved” campaign as part of the “Central Group Blood Donation” initiative, which aims to donate 10 mn cc of blood, bringing the total blood volume donated by the Company to 3.4 mn cc. (Data as of June 2020, provided by the Thai Red Cross Society)

Together with our partners and networks, the Company held social good campaigns and activities at our shopping centers to promote understanding and awareness of issues of social, economic and environmental significance.

- Joined hands with Central Group and UNICEF Thailand to launch “Central-UNICEF Together for Every Child” for the fourth year under the theme #EatPlayLove: The Magical Power of Family to raise awareness of the role of families in early childhood development, physical and emotional. Due to the pandemic, the travelling expo was exhibited at only one out of 10 target shopping centers.

- Together with Magic Breath club under the Medical Association of Thailand Under Royal Patronage, the company held the roadshow event “The Magical Breath: Good Breath on Dusty Days” to raise awareness of PM2.5 pollution and distribute 1,000 face masks.
- Organized the “From Thailand to Australia: A Fundraising Concert to Save Australian Animals” benefit concert in which proceeds went to organizations involved in the bushfire disaster relief efforts in Australia including NSW Rural Fire Service, RSPCA Australia, WIRES (NSW Wildlife Information, Rescue and Education Service Inc.) and CFA (Country Fire Authority of Victoria).

3) Corporate Donations

This year, the company supported communities and charitable organizations through making financial contributions to education-related causes, relief efforts and other areas. During the pandemic, the Company, in collaboration with Central Group and Tiang Chirathivat Foundation, donated more than 2 million baht worth of 4,000 relief packs and other essentials to flood victims in Ubonratchathani, Nakhon Ratchasima and Nakhon Si Thammarat provinces. The company and Central Group also joined hands with the Equitable Education Fund (EEF) under the Office of the Prime Minister, to donate 1,700 relief packs to help disadvantaged students who were missing out on school meals due to school closure during the COVID-19 through “Meals for Kids.”



Cash Contribution



Charitable Donation



4) Volunteering



Time Contribution

In addition to providing opportunities for employees to participate in volunteer activities during office hours, the Company encourages all employees to engage with communities in meaningful ways by donating their skills and expertise to create a positive impact on society, culture and the environment. In April 2020, 11 firefighters from Central Chiangmai and Central Chiangmai Airport helped fight wildfires in Chiang Mai province and handed over firefighting equipment including fire hoses, portable fire pumps, protective clothing and SCBA (Self-Contained Breathing Apparatus) and 1,000 bottled water to the province. Throughout the year, employees in the Company and Central Group also took part in “Centrality,” a project seeking to create shared value between business and society. However, because of COVID-19 this year's employee volunteer program had to be scaled back and only 84 activities were organized in which 2,526 employees participated, (subject to data availability; include employees attending more than one activity but do not include the hours employees donated to make face shields under “We Care for All”), a decline of 36% from 2019.

3. Community Development

1) Local Economy

The Company, in collaboration with Central Tham and Central Group, empowers local economies through supporting market mechanisms in communities in two forms:

- Permanent retail space for organic farm products under the “Jing Jai Farmer’s Market” scheme. To date, the Company has set up Jing Jai Farmer’s Market at 12 shopping centers (from total 22 markets² across country), benefiting over 2,747 farming families in 318 subdistricts and generating more than Baht 158 mn in local economies. The Company also provided spaces for farmers to promote and sell their products and build brand recognition and together with the Royal Project Foundation held the Royal Project Fair every Friday at five shopping centers which were Central Pinklao, Cnetral Rama 2, Central Rama 3, Central Rama 9 and Central Eastville.
- Curated collection of New Year gifts filled with unique community items and folk wisdom creations. In 2020, the Company, together with Art Bridge Chiang Rai and organizations in Chiang Rai, the most ethnically diverse province in Thailand, which is also known as “The Land of Artists and Arts,” carefully crafted special gifts “The Biggest Happiness is Never Stop Giving” – a creation of power, faith, wisdom and the public inspired by three prominent artists and natives of Chiang Rai Tawan Datchanee, Chalermchai Kositpipat and Lord of Mathy Vachirodom (Wor. Vajiramethy) and many others. In addition, a selection of handmade and embroidered hill tribe fabrics was sourced and housewife groups in Chiang Rai and Phayao provinces employed to make tote bags. The arts and culture promotion activities generated economic benefits back to community.



In-Kind Giving



Community Initiatives



Cash Contribution

2) Education

Education is the foundation of society. Through “Central’s Education” and “CPN Young Thai Intellectual Cultivation” programs, the Company



Cash Contribution



Community Investment

seeks to promote learning and education by providing two types of support: infrastructure and skill development for students and teachers. In 2020, the Company and Central Group funded projects in 22 schools in nine provinces, which included:

- Supported construction of the learning centers at Ban Cha Nu Border Patrol Police Learning Center (Chirathivat Upatham) and Ban Pha Thai Ngam Border Patrol Police Learning Center and implementation of eco-friendly design solutions at Lady Tawee Maneenuch Border Patrol Police School in Mae sot district, Tak province, including maximizing the use of natural light in school buildings and installing solar rooftop panels.
- Supported construction of model kindergarten classrooms equipped with parawood furniture at Ban Thap Boek Ruam Jai School in Phetchabun province and Wat Wareewong School in Trang province.
- Supported schools to become Sufficiency Economy Philosophy learning centers providing classroom learning and skills training in mushroom cultivation, vegetable growing and animal husbandry and other management skills such as basic accounting at 10 schools including: Chiang Mai - Ta Nuea Wittaya School, Wat Ta Duea Community School, Ban Mae Sa School and Ban Pong Noi School; Udon Thani - Ban Dong Udom School and Ban Nong Saeng; and Ubon Ratchathani - Ban Kang Sao School, Ban Phonmaung Mathan School, Ban Tha Hai School (Hai Thong) and Ban Sang Ming School.
- Supported the Partnership School initiative, a collaborative model between schools and vocational colleges aimed at fostering production of job ready graduates who meet the demand of domestic and international labor markets through equipping students with essential life skills and livelihood skills. Participating schools include Wat Nong No Tai Community School and Saraburi Vocational Education College in Saraburi province; Ban Nong Na Kham School and Udonthani Vocational College in Udonthani province; Ban Khuan Sawan School and Trang Technical College in Trang province; and Sakae Rat Wittayakhom School in Nakhon Ratchasima province.

Remark: ² More than Baht 193 mn of income was generated through 22 “Jing Jai Farmer’s Market” locations nationwide and distributed to more than 3,529 households in 591 sub-districts.

3) Others

- Provided equal opportunities for disadvantaged groups e.g. free space for registered lottery vendors with disabilities. In 2020, 48 vendors participated in the program, representing 1% of total employee in the Company or about Baht 5.7 mn contribution.
- Joined more than 24 state agencies, state enterprises, businesses and universities to pledge support for gender equality, tolerance and acceptance of diversity to promote peace and harmony in society at the “Gender Equality and Elimination of Discrimination” event, held by the Department of Women’s Affairs and Family Development, Ministry of Social Development and Human Security.



- Joined hands with AGRITEC, the National Science and Technology Development Agency (NSTDA), Sangkom SukJai Society (Sampran Model) and students and professors at Maejo University’s Faculty of Agricultural Production to improve job opportunities for people with disability in Wang Nuea district, Lampang province under the project “Planting Vegetables and Love.” In addition to building bamboo greenhouses and raised beds, participants received training on farming, composting and harvesting and produce will be sold at Jing Jai Farmer’s Market at Central Lampang.

Our COVID-19 Response

The company launched a campaign, “WE CARE FOR ALL” in the wake of the COVID-19 outbreak to provide relief and support to those affected including customers, suppliers, employees, health care workers and communities.

Volunteering



- Over 1,700 employees made 60,000 face shields, which were given to 5,000 health care workers and government officials at more than 40 hospitals and healthcare facilities across the country under the “WE CARE FOR ALL” campaign.
- Our employees volunteered in a number of relief efforts during the crisis.
 - Central Festival Phuket employees served more than 32,000 meals to those in need and worked in a Royal Kitchen.
 - Central Chiangmai Airport employees raised funds to make 200 care packages, which contain rice and essential items, for housekeepers, security guards, drivers, landscape gardeners and temporary staff.
 - Employees at Central Rattana Thibet, meanwhile, teamed up with Miracle of Life Foundation to distribute food supplies and meals in surrounding communities and together with Rattana Thibet Police Station set up “Tu Pan Suk” community pantry to help families affected by the crisis.



▲ Face Shield 60,000 pieces

Relief and Rehabilitation



In-Kind
Giving



Cash
Contribution

1. Joined hands with more than 90 partners to launch “ALL FOR HEROES: Meals for Healthcare Professionals,” an initiative to deliver 10,000 meals and 30,000 care packages, containing food supplies and bottled water, to the “heroes” at six hospitals assigned for COVID-19 treatment including Siriraj Hospital, Phramongkutklao Hospital, Ramathibodi Hospital, Rajavithi Hospital, Chulalongkorn Hospital and Police General Hospital.
2. Together with our business partners, the Company launched “Caravan of Happiness” to distribute necessities and food supplies to communities and organizations affected by COVID-19. Two donation stations were set up at Major Tower Thonglor 10, fl. 1 and Groove Zone Supercar Parking, fl. 1 at centralwOrld, so that Company employees and those who work at Major Development and



▲ All for Hero “Caravan of Happiness”

its subsidiaries as well as the general public can drop off items. The caravan of 6 pick-up trucks, supported by Mitsubishi Motors (Thailand), delivered the donated items to Pathumwan District Office as well as 5 hard-hit communities including Ban Khrua Community, Phra Chen Community, Soi Ruam-Polo Community, Soi Kulab Daeng-Soi Pluk Chit 3 Community and Wat Barom Community.

Rent-Free Space



In-Kind
Giving



Community
Initiatives

1. Ruamjai Fruit Market: Provided over 40,000 sq.m. of rent free indoor and outdoor retail space at 33 shopping centers to more than 6,000 farmers and small businesses for a period of 3-6 months, which is worth over Baht 150 mn, to help generate Baht 1,500 mn in local economies.



▲ Ruamjai Fruit Market



▲ Revival Market

2. The Company held over 180 promotional events and activities, 30 at Convention Hall and 150 at promotion spaces and provided six-month rent free retail space, worth more than Baht 100 mn worth, to give workers, professionals and businesses affected by COVID-19 opportunities to earn money during the crisis e.g. Revival Market car boot sale and activities to support flight crew and airline employees such as “Talad Nangfa Yak Kai” (Angels Market), “Pinto Nangfa” (Angels Lunchbox), “TG Market” and “Taladnad Air Hostess” (Air Hostess Market).

Sustainability Performance: Corporate Responsibility and Community Development

Topic	2020 Performance	Plan for 2021
 <p>Sustainability Indicator</p>	<ul style="list-style-type: none"> Community engagement was established as a performance indicator, which included 10,000 hours of employee engagement/volunteering (lowered from original target at 30,000 hours due to COVID-19). In 2020, our employees contributed 10,037 hours of volunteer service to community co-creation and CPN Volunteer activities. 	<ul style="list-style-type: none"> Establish community engagement as a performance indicator including 24,000 hours of employee engagement/volunteering.
 <p>Corporate Responsibility and Community Development</p>	<div>   <p>Community Investment – In-Kind Contributions</p> </div> <ul style="list-style-type: none"> Provided Baht 3.5 mn of manpower and funding for community co-creation and CPN Volunteer projects and activities. Joined forces with Central Group to implement the social development project “Central Tham,” providing Baht 23.9 mn worth of service to community. Held 84 activities, contributing to 10,037 hours volunteered as planned. <div>  <p>Commercial Initiatives</p> </div> <ul style="list-style-type: none"> Organized 621 activities under “Center of Community,” of which 134 were activities to support SME business. Provided Baht 53.7 mn worth of free space to government agencies and communities (including entrepreneurs and businesses affected by the COVID-19 pandemic). <div>  <p>Charitable Donations</p> </div> <ul style="list-style-type: none"> Donated Baht 17.4 mn to charities, including budget for supporting education and for relief efforts. <p>The Company did not receive any complaints regarding significant community and environmental impact.</p>	<ul style="list-style-type: none"> Provide free spaces to government agencies and communities, representing at least 10% of all activities by 2025. Study appropriate frameworks for Social Impact valuation or Return on Shared Value measurement.

04 Resource and Environmental Management Excellence

Our climate change and environmental policy encompasses energy and water efficiency, climate resilience, environmental management, biodiversity and effective and sustainable waste management and incorporates a number of international standards including ISO 14001 Environmental Management System (EMS), ISO 14064-1 Greenhouse Gases, ISO 50001 Energy Management, LEED: Leadership

in Energy&Environmental Design and the evaluation criteria for the Ministry of Energy's Thailand Energy Award and ASEAN Energy Award. Our goal is to maximize resource efficiency, increase the use of alternative energy such as solar energy, boost water recycling, reduce landfill waste and lower greenhouse gas emissions.

Management Approach



4.1 Energy Management



We focus on energy efficiency to reduce our environmental footprint and combat climate change and establish management approaches to increase the use of renewable electricity as well as maximize energy efficiency across our operations.

1. Energy Management

In 2020, Central Pattana's energy consumption comprised usage from 34 shopping centers and seven office buildings. Our energy supply came from the following sources:

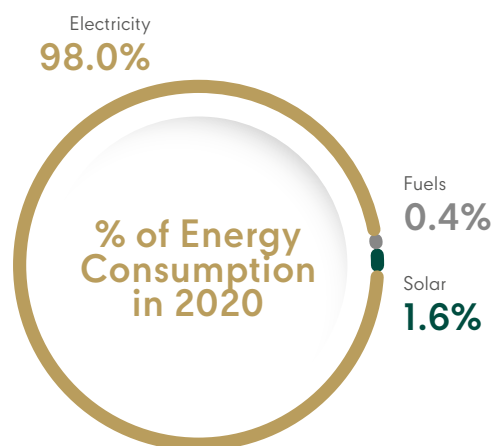
1. Non-renewable Sources

- Grid supplied electricity in 2020, 793,431 MWh of electricity were sourced from the Provincial Electricity Authority and the Metropolitan Electricity Authority,¹ which represented 97.96% of our total energy consumption. The grid-supplied power is used for HVAC systems, lighting and our day-to-day operations.
- Fossil fuels and liquefied petroleum gas (LPG) represented 0.49% of our total energy consumption. Energy from fossil fuels is used to power engines such as lawn mowers, company vans and shuttle buses, equipment used during fire safety training and emergency power systems such as power generators and fire pump system, while LPG is used for activities in Food Parks under Central Pattana management² and during kitchen fire safety training.

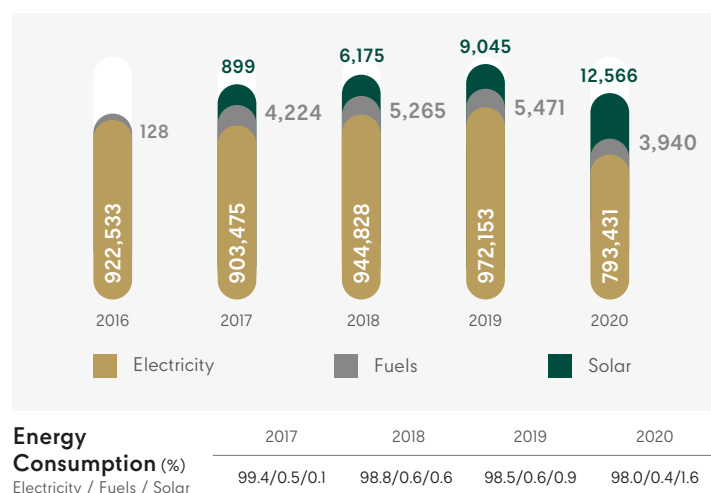
2. Renewable Sources

We continue to invest in renewable electricity and have completed the installation of solar panels on the rooftops of 16 shopping centers and parking facilities, which will supply energy for our buildings and water pumping systems. In 2020, we generated 12,566 MWh of solar energy, which represented 1.55% of our total energy consumption and a 39% increase from 2019. This was a result of onsite solar installations across seven additional projects including Central Westgate, Central Salaya, Central Chonburi, Central Nakhon Si Thammarat, Central Khonkaen, Central Rama 2 and Central Phuket. (Central Suratthani has been excluded as installation was completed in December 2020.) Our plan is to roll out solar installations across eight additional projects as well as explore other solar opportunities in the future.

Energy Source		Energy Consumption (Unit: MWh)					% of Energy Consumption in 2020
		2016	2017	2018	2019	2020	
Non-Renewable	Purchased electricity from the Provincial Electricity Authority and the Metropolitan Electricity Authority	922,533	903,475	944,828	972,153	793,431	98.0
	Fuels	N/A	4,224	5,265	5,471	3,940	0.4
Renewable	Electricity generated from solar panels	128	899	6,175	9,045	12,566	1.6



Total Energy Consumption and Sources (Unit: MWh)



¹ Grid supplied electricity accounted for 91% of our utility costs or Baht 2,897 mn.

² Tenant and retail store LPG usage is not included.

2. Our Management Approach to Electrical Energy Efficiency

is divided into 2 areas:

1. **Company Usage** includes electricity consumption from common areas and HVAC systems under our direct control. We continue to improve our electrical energy efficiency policy and have set the targets to reduce our electricity intensity by 20% from 2015 levels by 2025 (company usage only) and cut energy consumption from 2019 levels by 4% in 2021. Examples of the energy efficiency initiatives we have implemented include:

- HVAC (Heating, Ventilation, and Air-conditioning) systems
 - Use of high efficiency chiller systems
 - Installation of AC Control Systems across 19 shopping centers to regulate indoor air temperature and humidity
 - Installation of Variable Speed Drives - VSD on chilled water pumps and coolant pumps
 - Installation of high efficiency motor pumps on Chilled Water Pump - CHP and Condenser Pump - CDP in one project
 - Cooling tower system upgrades
 - Cooling tower fill replacement
 - Installation of temperature & humidity sensors across 19 projects to enable semi-automatic control of the HVAC systems
 - Improving maintenance and operation of shopping center HVAC systems to optimize efficiency and better correspond to heat load fluctuations
- Responding to the Corporate Governance and Sustainability Committee's policy and green tax incentive schemes, we have accelerated implementation of our energy efficiency measures such as setting up, at three of our projects, escalator control systems and variable speed drives to enable slow speed operation and installation of variable speed drives, temperature & humidity sensors and solar panels as summarized above

- We educate our employees on energy conservation through training to inspire green behavior change and instill in our workforce environmental and energy stewardship. Due to COVID-19, only two training courses could be held, which were attended by 148 participants (include employees attending more than one training) or 3% of employees. Additionally, we encouraged our employees to take part in Energy Day and "Dream Team," a company-wide challenge held annually to support development of energy efficiency solutions.

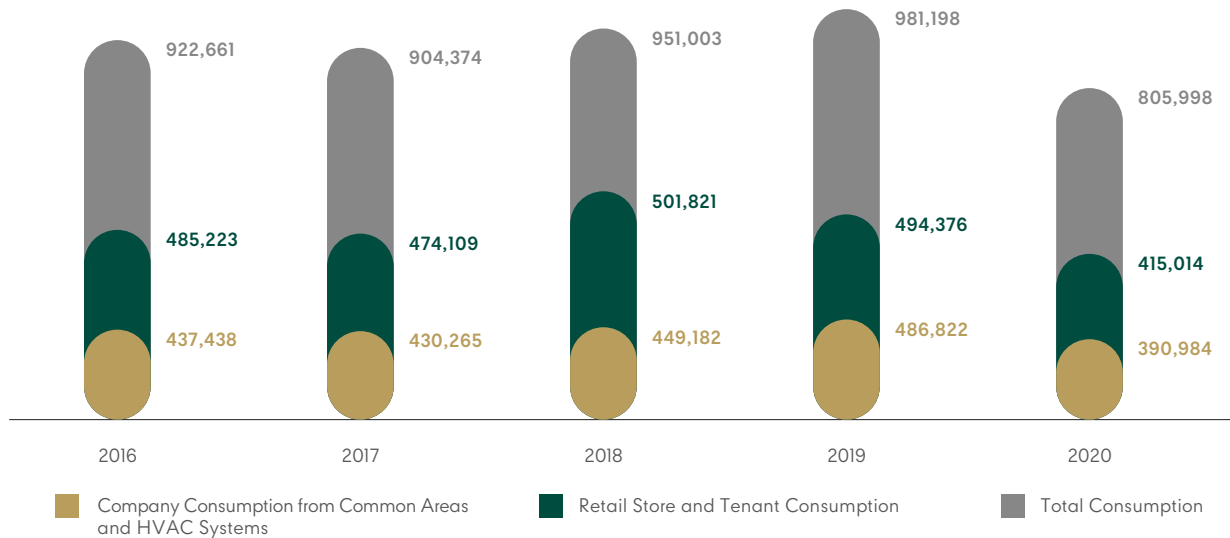
2. **Tenant Usage** Central Pattana operates the electricity and air conditioning systems in our buildings. Retail stores and tenants are charged on a per unit basis for their electricity usage, which enables them to monitor and manage their consumption efficiently. We actively engage with our tenants to encourage participation in energy savings initiatives and programs we are implementing.

In 2020, our total electricity consumption was 805,997 MWh (including from solar generation). Of this, 390,983 MWh were company usage and 415,014 MWh were tenant usage or 49% and 51%, respectively.

In the wake of the COVID-19 outbreak, the Thai government announced a number of control measures including temporary closure of all shopping centers nationwide for 56 days from March 22 to May 17, 2020. This, together with our energy savings initiatives and expanded renewable generation capacity, drove down our grid energy consumption in 2020 by 191,916 MWh, which was a 19% decline from 2019. However, due to COVID-19 uncertainty, the Corporate Governance and Sustainability Committee voted for amendment of the 2020 performance indicator for energy efficiency - adjusting it from 2% to 4% reduction in energy consumption by 2021 compared to 2019 levels.

Electricity Consumption by Activity

(Unit: MWh)

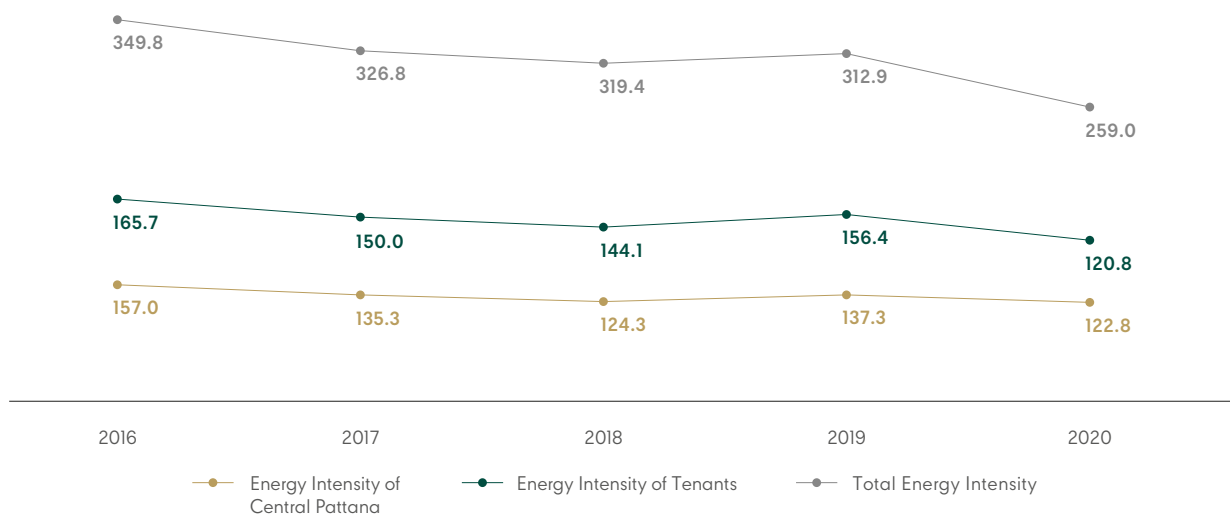


Remark: The number of projects used in calculating annual electricity consumption during 2016-2020 is as follows: 30, 32, 33, 34 and 34. The figures include shopping centers as well as office buildings.

In 2020, the energy intensity of Central Pattana's operations in shopping center (excluding tenant usage) was 120.8 MWh/m²

Energy Intensity

(Unit: kWh/sq.m.)



Remarks: ⁽¹⁾ Considers only projects with normal full-year operation and exclude consumption of head quarter. The number of projects that are calculated is 28, 28, 30, 30 and 31 during 2016-2020 respectively.

⁽²⁾ The area used in the calculation is from the Net Leasable Area and common area according to global guideline.

⁽³⁾ Adjust energy intensity index during 2016-2019 according to building area which adjusted and future check in 2020.



4.2 Climate Resilience

We are acutely aware of the effects of climate change, both direct and indirect, on our Company from increasing energy costs to business disruption brought by climate-related natural disasters as a result of rising temperatures caused by our business activities. In 2020, the Corporate Governance and Sustainability Committee voted in favor of setting a long-term greenhouse gas emissions reduction target of 20% by 2025 from the baseline year of 2015, in line with the UN-SDG 13 Climate Action.

Greenhouse gas emissions arising from our business activities include:

- Scope 1 emissions are direct emissions from fuels that are combusted on site e.g. benzine, diesel and natural gas as well as leakage of greenhouse gases from refrigerants, fire extinguishing agents and methane from wastewater treatment system, for instance. Our long-term target is to reduce our Scope 1 emissions by 10% by 2025 from 2015 baseline.
- Scope 2 emissions are indirect emissions from the consumption of electricity in common areas and by HVAC systems as described in the Energy Management / Electrical Efficiency / Company Electricity Usage sections. Our long-term target is to reduce our Scope 2 emissions by 20% by 2025 from 2015 baseline.
- Scope 3 emissions are other indirect greenhouse gas emissions from employee commuting and corporate travel, the water and energy consumed by tenants and retail stores within their spaces as described in the Energy Management / Electrical Efficiency / Tenant Electricity Usage sections. Our long-term target is to reduce our Scope 3 emissions by 10% by 2025 from 2015 baseline.

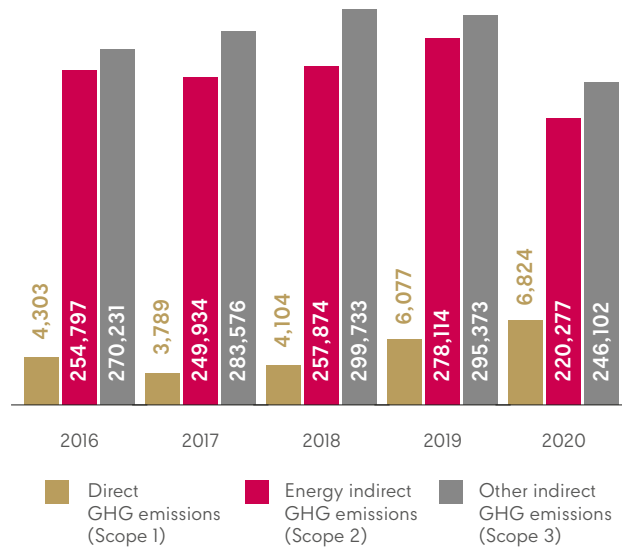
Through seeking verification and certification for Carbon Footprint for Organization (CFO) in the last four years, we have become conscious of Scope 1, 2 and 3 greenhouse gas emissions from our business activities, which stand at 1%, 47% and 52%, respectively. This led to the implementation of a number of emissions reduction measures across our operations with the key focus on reducing electricity consumption as reported in the Energy Management and Electrical Efficiency sections.

In 2020, our greenhouse gas emissions fell by 18% as a result of the 56-day closure during the national lockdown due to the COVID-19 outbreak and those implemented electricity measures. While there were a 21% reduction in Scope 2 emissions and a 19% reduction in Scope 3 emissions, our Scope 1 emissions increased by 12% from 2019 levels. The increase was largely due to refrigerant recharge and use of sulfur hexafluoride in high voltage switchgear in some of the shopping centers under our management.

Reinforcing our commitment to greenhouse gas emissions reduction across our operations, Central Pattana has joined Thailand Voluntary Emission Reduction Program: T-VER, an initiative developed by Thailand Greenhouse Gas Management Organization (Public Organization), and registered our solar project under the Renewable Energy category for certification of emissions reduction. The installation of 12,216 kWp solar PV systems across our 13 shopping centers is expected to reduce 10,247 tCO₂eq/year.

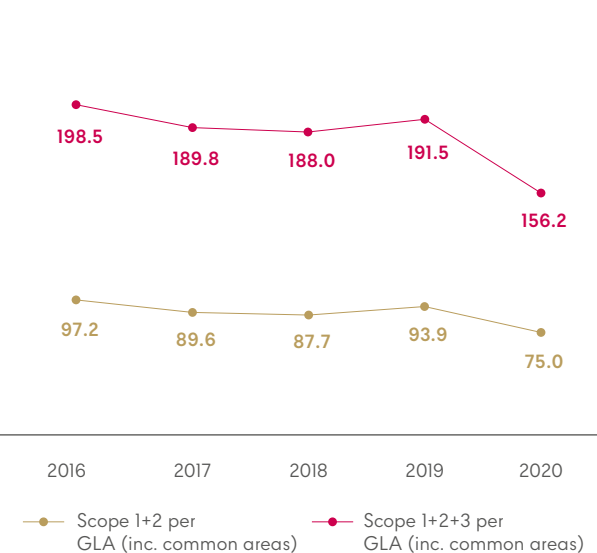
Total Scope 1, 2 and 3 Greenhouse Gas Emissions*

(Unit: tCO₂e)



Greenhouse Gas Emissions Intensity**

(Unit: kgCO₂eq/m²)



- *, ** Remark: (1) Total greenhouse gas emissions data include emissions from the operations of our shopping centers, office buildings and offices for rental and comprise direct emissions calculated using the operational control approach based on the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories and Thailand Greenhouse Gas Management Organization's (Public Organization) greenhouse gas emission disclosure guidelines.
- (2) Emissions are calculated based on the number of projects that are in operation each year and include 1 office building and the Head Office. The number of projects used in the calculation is between 2016-2020 as follows: 32, 34, 35, 36 and 36 respectively.
- (3) Coverage is now calculated based on net leasable area and common areas, in keeping with international measurement practices.

4.3 Water Management and Wastewater Management



1. Water Management

Central Pattana primarily operates in Thailand where Mekong River and Chao Phraya River run through.³ The country has a Medium-high Drought Risk and is ranked 45th on the global scale. Our operational risk assessment shows that water scarcity and severe flooding pose major risks to our business and identifies projects located in the northeastern region and Bangkok and its vicinity as vulnerable areas that are prone to drought as well as at risk of water supply shortage due to rising sea levels in the Central region. We, therefore, have established our water management and preparedness measures based on the 3R approach - Reduce, Reuse and Recycle. In 2020, the Corporate Governance and Sustainability Committee amended our long-term water reuse target to 20%⁴ by 2025 and set our water recycling target of 5% in 2021, using the 2019 baseline.



Water reuse target to

20% by 2025



Set our water recycling target of

5% in 2021, using the 2019 baseline

³ GRI 303-1

⁴ Include projects with onsite water recycling systems only.



Reduce

Install high-efficiency toilets with automatic flushing to reduce the amount of water used per flush and shorten the run time of the metering handwash faucets to minimize water waste.



Reuse

To reuse water from sources other than the water authorities, we have installed rainwater tanks and condensate recovery systems (in shopping centers that have compatible systems). The water is used onsite where possible including for watering plants and floor cleaning, for example.



Recycle

Water recycling systems have been installed across 17 shopping centers including two additional projects in 2020. The reclaimed water is used for activities such as watering plants, cleaning parking lots and toilet flushing. We have also been trialing use of recycled water to run cooling towers but found that over a period of time the performance of the cooling towers would be affected

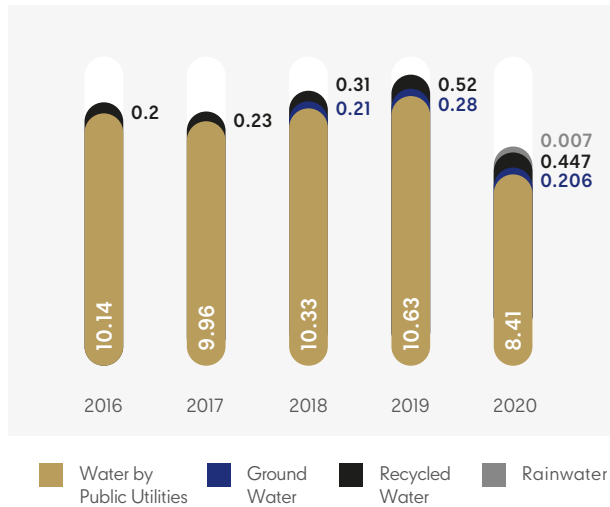
leading to higher energy usage. Despite this setback, we continue to explore new ways to improve our water recycling systems to increase the use of recycled water in our operations including utilizing ozone in the treatment of wastewater to ensure better water quality for the cooling towers.



Thailand experienced drought during the first half of 2020 as water levels in the country's dams and overall rainfall dropped by 30%-40% compared to 2019 levels. However, following the outbreak of COVID-19 and lockdown imposed by the government to slow the spread of the virus, water usage fell across the country. The 56-day nationwide closure of shopping centers under the government order led to a 36% decrease in water usage from 34 shopping centers under our management compared to 2019. In 2020, our total water consumption was 8.41 mn m³. Of this, 7.75 mn m³ were sourced from Metropolitan Waterworks Authority and Provincial Waterworks Authority; 0.21 mn m³ were from ground water in five projects; 0.45 mn m³ were from recycled water; and 0.07 mn m³ were sourced from rainwater tanks installed in two projects or 92.2%, 2.4%, 5.3% and 0.1% respectively.

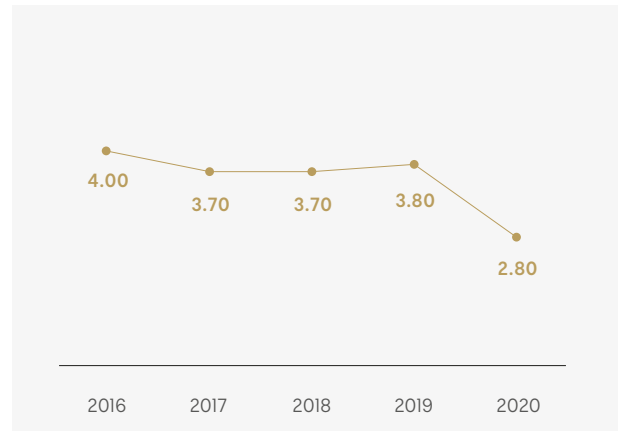
Water Consumption

(Unit: mn m³)



Water Consumption Intensity

(Unit: m³/sq.m.)



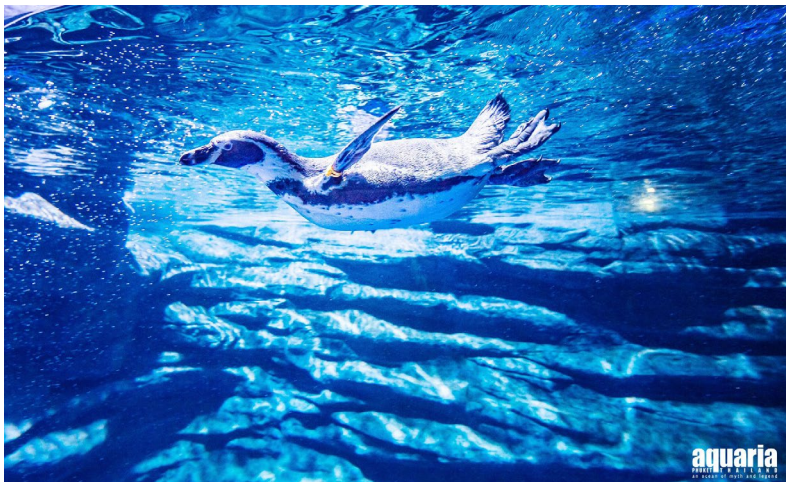
Remark: The decrease in water consumption intensity in 2020 was due to COVID-19.

2. Wastewater Management

We develop guidelines for managing and operating sewerage systems in our shopping centers, which require that wastewater produced from all activities inside our shopping centers undergo pretreatment or preliminary removal of wastewater or sludge constituents before being discharged to the central wastewater treatment system. The pretreatment process comprises:

- Installation of SBR: Sequencing Batch Reactor, where aeration and rapid sludge sedimentation occurs in the same tank
- Installation of deep shaft reactors, in place of primary clarifiers and aeration tanks
- After the pretreatment, the treated wastewater is discharged into the central public wastewater treatment system

In 2020, 5.49 mn m³ of treated wastewater were discharged into public water resources. Our procedure for wastewater discharge covers quality control⁵, record keeping and reporting as well as regular maintenance of sewage treatment equipment such as piping systems, grease interceptors, wastewater pumps, ponds and aerators, which is part of our preventive maintenance plan. Monitoring and testing of wastewater quality are carried out on a regular basis. If treated wastewater quality is found to fall below the required standards, the shopping center, which implements its own monitoring plan, will take a corrective action to identify and solve the issue to ensure that water discharges meet all applicable water quality standards.



Aquaria Phuket
Central Puket Floresta

⁵ Include testing and monitoring of Biochemical Oxygen Demand: BOD, Suspended Solid: SS, Dissolved Solids: TDS, pH, Grease & Oil, on a monthly basis, conducted externally by an ISO/IEC 17025 accredited laboratory.

4.4 Waste Management



In 2019, Central Group began implementing a waste separation policy and set the goal of achieving zero landfill under the Journey to Zero project. In 2020, the Corporate Governance and Sustainability Committee approved a long-term target of 50% waste to landfill reduction by 2025 and set the target to achieve 10% landfill reduction in 2020.

Our waste management approach focuses on advancing the circular economy, encouraging separation at source, making sure sorted waste is sent for reprocessing to maximize its potential benefits and engaging with key stakeholders including customers, tenants and employees.

1. Journey to Zero Performance - Customers

3 types of waste

Three types of waste bins are set up for general waste, recyclables and hazardous waste across the shopping centers under our management and the use of foam food containers has been eliminated in all our Food Parks.

PET bottles

Bins for PET bottles are set up across 35 Food Parks under our management and at Central Rama 9 as part of the “Care the Whale - Invisible Trash” initiative⁶, which is collaboration between Central Pattana, The Stock Exchange of Thailand (SET) and partners in the Ratchadapisek Road area. To raise consumer awareness of waste separation at source, diners are encouraged to bring their plates to the designated area in our Food Park. In the fourth quarter of 2020, the campaign “Sort Correctly, Get Your Rewards” was launched in which Food Park cleaners were enlisted to help separate plastic bottles from other waste. Through the activities, 7 tons of plastic bottles were collected.



Plastic bottles were collected **7** tons

Plastic film and bags

Central Pattana, in collaboration with PPP Plastic,⁷ set up “Bins for Recycling Bags by Magic Hands,” which accept 12 types of plastics,⁸ across 17 shopping centers including all shopping centers located in Bangkok and its vicinity, Central Chonburi and Central Rayong, so that visitors can drop off plastic waste at their convenience. The initiative collected 6.2 tons of plastic film and bags (including plastic waste collected from tenants).



The initiative collected **6.2** tons of plastic film and bags



E-Waste

Continuing from 2019, Central Pattana, in partnership with Advanced Info Service, have now set up e-waste drop-off points across 34 projects nationwide to collect e-waste including mobile phones, batteries, dry batteries and gadgets for proper disposal, total 4,788 pieces. Under the program, 0.7 tons of e-waste have been collected, which more than 48 tCO₂e of avoided greenhouse gas emissions.



E-waste have been collected **0.7** tons

⁶ www.facebook.com/carethewhale/

⁷ PPP Plastic or the Public Private Partnership for Sustainable Plastic and Waste Management was established by the Federation of Thai Industries and the Thailand Business Council for Sustainable Development (TBCSD) to build collaboration in sustainable plastic waste reduction. (<https://thaiplastics.org>)

⁸ 12 types of plastic film and bags include plastic bags, shopping bags, bread bags, sugar bags, ice bags, fruit and vegetable bags, bottled water packaging film, UHT liquid milk packaging film, shrink film, plastic mailing bags, bubble wrap and Ziploc bags/pill bags.

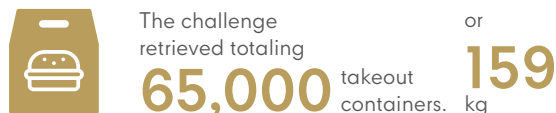
Reverse vending machines for PET bottles or ReFun Machines

were installed to raise consumer awareness and promote recycling of plastic bottles. Points are awarded for every bottle dropped off, which can be redeemed for gifts or discount coupons for use in stores under Central Group. To date, two machines have been installed at centralwOrld and Central World Offices. In 2020, 16,915 bottles or 286 kg of plastic waste were sent for recycling.



“ThinkDee” challenge

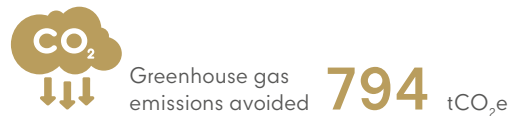
was launched in response to rising demand for food delivery during lockdown to encourage our customers to wash and return used food containers in exchange for CRG discount coupons. The activity was developed with insights from our customers and employee feedback was gathered after it ended. There were promotional activities throughout the month to remind customers to wash their food containers after use, ahead of the drop-off event held on July 10-14, 2020 at 16 participating shopping centers. 90% of customers correctly returned the washed containers and the challenge retrieved 65,000 takeout containers, totaling 159 kg.



2. Journey to Zero Performance - Tenants

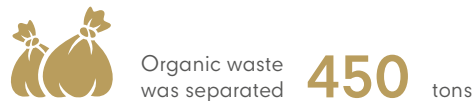
Our waste management is carried out in accordance with ISO 14001

Environmental Management System (EMS) including continuous process improvement for waste sorting and disposal. To date, 31 projects have achieved ISO 14001 certification. In 2020, journey to zero project in 34 shopping centers, ThinkDee the Wed Day project (Data collection from January 1, 2020 - December 31, 2020) and waste management in Central Lampang (Data collection from July 1, 2018 - June 30, 2020) participated in the Low Emission Support Scheme or LESS and under the scheme, the 794 tCO₂e of greenhouse gas emissions avoided by the shopping center's waste sorting project were verified and certified.



Fruit and vegetable scraps

Central Pattana, in partnership with Bangna District Office, Bangkok's Department of Environment and Nonthaburi Municipality Office, launched an initiative to separate fruit and vegetable scraps at source - restaurants and supermarkets - across 6 shopping centers including Central Bangna, Central Eastville, Central Pinklao, Central Rama 2, Central Rama 3 and Central Rattana Thibet, and send food waste separated from Food Park diners' plates to organic waste treatment facilities for production of agricultural supplies such as animal feed, fermented bio extracts and organic fertilizers, and biogas. In 2020, 450 tons of organic waste was separated through the project.



Recyclables

Building on our collaboration with Coca-Cola (Thailand), GEPP Sa-Ard and partners, Phase II of the Journey to Zero project - “Coke Collects x Central Group Journey to Zero” - was launched in 2020 to promote proper source separation of used packaging and recyclable materials for reprocessing and recycling. Project progress is tracked through a monitoring and evaluation system and activities are carried out to incentivize participation and support for sustainable waste sorting. The initiative, beginning with establishments under Central Restaurant Group,

has now been expanded to other stores and re-launched as “Sort Correctly, Get Your Rewards” across six shopping centers including Central Bangna, Central Eastville, Central Pinklao, Central Westgate, Central Rayong and Central Village. Under the initiative, 797 tons of recyclable materials were separated and sent for recycling.



Recyclable materials were separated and sent for recycling

797 tons

3. Journey to Zero Performance – Employees

The Journey to Zero Committee

was established by the Company to help accelerate our efforts on waste sorting and management to ensure that we are achieving concrete results under the Central Group’s Journey to Zero policy. The cross functional team met 12 times on a monthly basis and pushed forward a number of initiatives including the collaboration with AIS to set up e-waste collection points; “ThinkDee” challenge to accept used takeout containers; “Sort Correctly, Get Your Rewards” to motivate Food Park cleaners to help sort plastic bottles from other waste; “The Wed Day,” an activity aimed at Head Office employees who were encouraged to sort recyclable materials at home and in the office; development of “CPN Waste Management”, a web application for recording the volume of waste being sorted at source, which sends data to the business intelligence tool to provide real-time data and reports; continued development of the CPN Zero Hero application, which was launched in 2018, to enable point collection and redemption under “The Wed Day”; and weekly workplace engagement activity to raise employee awareness of proper waste sorting and disposal throughout 2020.

Seven-type waste segregation

In 2019, we removed individual desk bins from our office buildings after the rollout of the seven-bin system,⁹ to encourage employees to reduce office waste and learn to sort their own waste while at work. The new system is now being used in all our office buildings including CPN Academy Center. In areas where there are limitations, four types of waste bins will be set up for plastic, paper, glass and metal, and hazardous waste with additional organic waste bins provided in staff canteens. Through the initiative, 11 tons of waste was properly sorted or 41% of total office waste.



“The Wed Day”

An expansion from the customer engagement activity “ThinkDee” challenge, “The Wed Day” was initiated by the Journey to Zero Committee to motivate Head Office employees to properly sort recyclable materials at home and at work to earn and redeem points for gifts such as trash bags for practicing waste separation at home. The activity was held every Wednesday for seven weeks from November to December 2020 during which 183 employees took part and a total of 1.23 tons of waste was sorted correctly.

Office paper waste sorting and reduction

In addition to using information systems for record-keeping, reference and approval, we have joined “Paper X,” an initiative launched by SCG Packaging Limited Plc to collect sorted office paper waste for recycling and paper production. In one year, office paper use was reduced by 36% and through our participation in “Shred2Share” (www.ironmountain.co.th) six tons of paper waste was sent for recycling, which equated to 1.6 tCO₂e of avoided greenhouse gas emissions.

Overflow - From Trash to Art

Central Pattana supported the artist Wishulada Panthanuvong in creating an art installation from trash, which would be exhibited during the Bangkok Design Week 2021¹⁰, by supplying her with four types of sorted waste including crushed aluminum cans, plastic caps, metal caps and plastic bags and packaging, as raw materials. The requested waste materials were segregated into the specified types within 15 days and the 290 kilograms of waste were delivered to the artist as planned.

⁹ General Waste: Blue, Plastic: Yellow-Pink, Paper: Yellow-Light Green, Glass and Metal: Yellow-Purple, Hazardous Waste: Orange, Organic Waste: Dark Green and wastewater from drink: Light Blue

¹⁰ Bangkok Design Week 2021, where “Overflow - From Trash to Art” by WISHULADA (FB page: WISHULADA) was set to be showcased, has been postponed due to COVID-19.

4. Journey to Zero Performance - Other Stakeholders

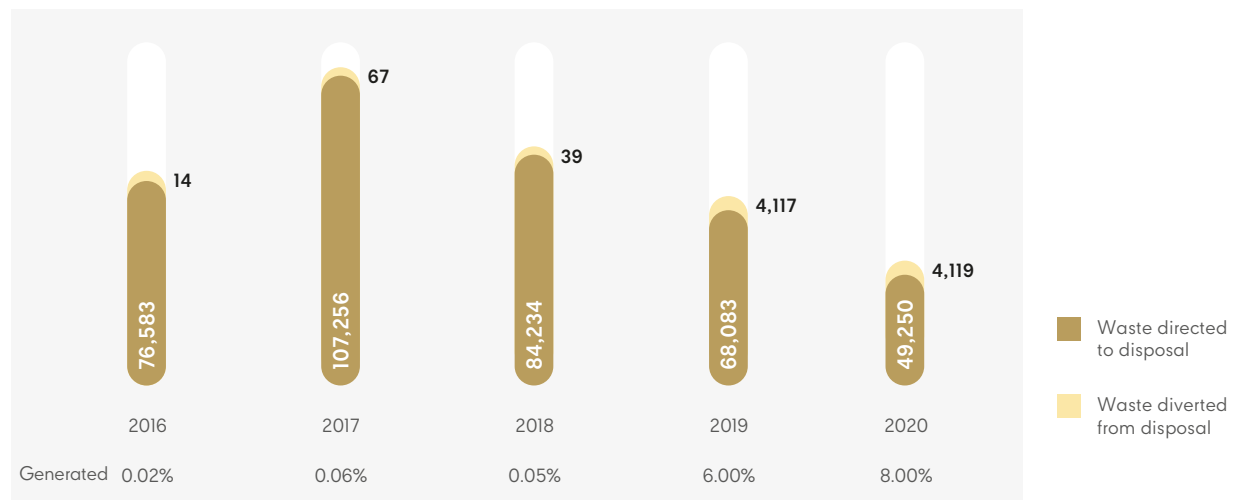
Reported in the Supply Chain Management / Innovation and Co-Creation Partnership sections. Due to the COVID-19 pandemic, awareness raising campaigns and activities in schools on waste sorting and circularity under "CPN Young Thai Intellectual Cultivation" have been postponed to 2021.

In 2020, 53,369 tons of waste (including waste awaiting disposal at the end of December 2020) were generated by 34 shopping centers. Of this, 4,119 tons were sorted and diverted from entering the waste stream, contributing to an 8% reduction of total waste sent to landfill.



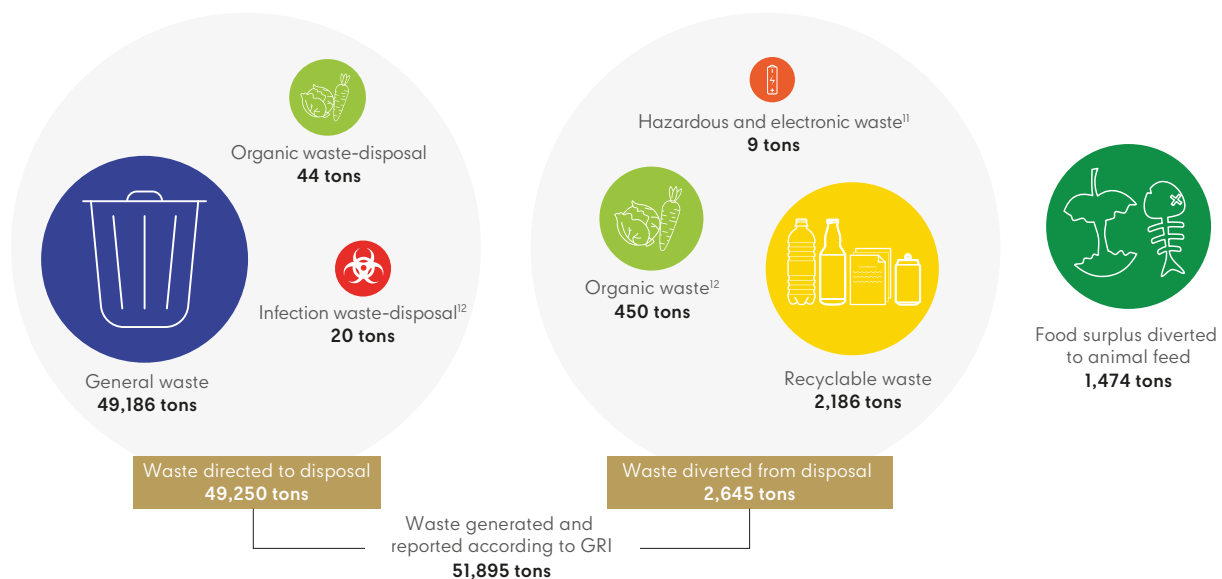
Total Waste Generated by Shopping Centers under Central Pattana Management

(Unit: Tons)



Waste Generated and Waste Composition in 2020

(Unit: Tons)



¹¹ Such as light bulbs, batteries, paint buckets.

¹² Regarding infectious waste produced from beauty clinics, tenants are responsible for arrangement with contractors to collect following by ISO 14001.



4.5 Air Quality

We actively monitor and manage air quality in our shopping centers to ensure all applicable standards are met through quality control measures and testing of indoor air quality and toxic gases that can cause acute health effects. For instance, filter fresh air and carbon dioxide sensors have been installed to ensure sufficient fresh air is introduced into the buildings and if ambient air quality does not meet the standards, the system would automatically shut down.

In 2020, extra measures were introduced to tackle the rising levels of fine particulate matter with a diameter of less than 2.5 micrometers or PM2.5 across Thailand. The particles not only pose a public health risk but has been classified as carcinogenic to humans (Group 1) by the World Health Organization (WHO). Examples of initiatives that we have deployed to ensure customer confidence include:

- Monitoring PM2.5 levels as part of routine air quality testing and installing filters on fresh air systems
- Installation of 15 air quality monitors across 14 projects located in areas with high levels of PM2.5
- Shutting off or adjusting the flow rate of the fresh air systems when outdoor PM2.5 levels exceed safe limits
- Spraying water at specific times in accordance with the policy and request for cooperation from district offices in Bangkok and municipalities
- Stop the burning of incense sticks and other ritual offerings that emit fine particulate matter in projects that have a spirit house, buddha image and shrine in front of the building
- Ask for customer cooperation to turn off idling engines while in the parking facilities with security guards performing constant checks
- Ensure proper corporate fleet maintenance and encourage employees to have their personal vehicles including motorcycles inspected
- Discourage in-person meetings and encourage remote meeting via conference call and VDO conference
- Reduce paper use to minimize deliveries by office messengers
- Use of ventilation fans during construction to protect the health and wellbeing of workers

4.6 Green Building



We have incorporated Green Building guidelines in the design and development of our shopping centers including LEED: Leadership in Energy & Environmental Design, which is established by the U.S. Green Building Council: USGBC, the evaluation criteria for ASEAN Energy Award¹³ and the Ministry of Energy's Thailand Energy Award.¹³ In 2020, Central Pattana received ASEAN Energy Award in the following category:



¹³ The evaluation criteria for ASEAN Energy Award and Thailand Energy Award assess dimensions of eco-friendly building management including energy efficiency, reduction of greenhouse gas emissions and environmental impact, waste management, green building innovations and eco-friendly and sustainable materials.

New and Existing Building Category Winners - Central Korat and Central Mahachai

Due to COVID-19, Thailand Energy Award 2020 has been postponed. To date, 24 projects of Central Pattana have won six ASEAN Energy Awards and 36 Thailand Energy Awards or 73% of the projects that are in operation and foodwOrld @ centralwOrld has achieved LEED Platinum Award in the Commercial Interior Retail - Restaurant/Cafeteria category.

Additionally, we have established a plan to develop our own environmental sustainability standards based on Green Building standards as one of our long-term environmental management plans and to motivate our shopping centers to go beyond meeting required standards. Environmental Sustainability Award is given annually since 2019 to branches with outstanding environmental performance in reducing electricity and water usage, lowering greenhouse gas emissions, waste management and employee engagement. In 2020, the winner was Central Chaengwattana.



Central Chaengwattana and Sustainable Environmental Management

Central Chaengwattana is our 11th shopping center. When it opened its doors in 2008 the shopping center was considered the first modern one stop shopping destination in Nonthaburi province serving customers from the Government Complex as well as northern Bangkok residents.

Design, Architecture and Building Materials

When it began operations, LED lighting was used to decorate the outdoors and building exteriors of the shopping center - the first building in the country to utilize the technology. The energy efficient solutions incorporated into the building design include well-insulated walls made from Q-Con blocks, which lower the rate of heat transfer, and Low-E Glass. The exterior walls are painted with light colors, which helps keep OTTV at 33.84 W/m², below the legal requirement of 40 W/m². Skylights are installed to allow natural light

into the building, while 94.4% of roofing materials are insulated metal sheets with ceramic coating, which helps keep RTTV at 9.84 W/m^2 , below the legal requirement of 10 W/m^2 . Trees are also planted around the project to provide shade and lower ambient temperatures.



Sky Light which helps keep RTTV at

9.84 W/m^2

Electricity Management

Central Chaengwattana has installed the BAS - Building Automation System to enable control of the building electrical system and utilizes natural light in common areas by using lux sensor, which automatically adjusts brightness according to available natural light and activity. Common areas have been retrofitted with low-energy LED lighting and the shopping center encourages tenants to switch to LED light bulbs, which are more energy efficient and cost-effective. To date,

96% of tenants have participated in the initiative. The shopping center uses Central Air - conditioning System, which comprises eight water chillers with COP of 0.55-0.67 kW/TR and operates at low condenser water temperatures through CPM (Chiller Plant Management). Variable Speed Drives: VSD has also been installed on chilled water pumps and air handling units to enable accurate control and adjustment. Additionally, installation of the smart lift system has reduced energy consumption by more than 10% compared with conventional systems. In 2019, the electricity usage on a per unit leasable area improved by 4%.



The electricity usage on a per unit leasable area improved by

4%

Water Management

The SBR: Sequencing Batch Reactor has been installed at Central Chaengwattana and wastewater produced by the shopping center is treated to the standards required for discharge by the Ministry of Natural Resources and Environment's ministerial regulation on wastewater quality standards. Through "Central Green Project: Clean Canals, Collaboration, Care for the Environment," which is now in its fourth year, the shopping center collaborates with Klong Kwae Community to preserve and protect their water source. In 2019, Central Chaengwattana was able to increase per person water use efficiency by 11%.

Waste Management

Central Chaengwattana participates in "Journey to Zero" and has launched an initiative encouraging employees to reduce use of single use plastics and separate the waste they generate into three categories including generate waste, recyclables and food waste - with rewards given to employees who correctly sort and return the recyclable items. The shopping center also engages with customers, tenants and the community to segregate waste into specified categories to divert as much waste as possible from landfill before properly dispose of the rest in landfills.

Indoor Air Quality Management

Central Chaengwattana's parking facility is located outside the main building to prevent vehicle exhaust from migrating into the building. Indoor air quality inspections are carried out on a regular basis and include testing of CO₂ levels and the levels of PM₁₀ and PM_{2.5} particles. R-134a, a refrigerant that is ozone and climate friendly, is also utilized.

Green Building

Central Chaengwattana, in 2010, won the Ministry of Energy's Thailand Energy Award for Energy Efficiency and Conservation Excellence in the Energy Efficient Buildings Category and the ASEAN Energy Award for Energy Efficiency and Conservation Best Practices in the New and Existing Building Category.

4.7 Ecosystem Management and Biodiversity



The wellbeing of people, plants and wildlife in the ecosystem is important to us. Central Pattana does not seek development opportunities in restricted or protected areas. Our policy also requires that ecological surveys and assessments be conducted with external experts and sets clear guidelines for managing and preserving the ecosystems around our new developments and renovations, which occur outside restricted or protected areas.

We promote community wellbeing by bringing nature closer to people through landscape design to maintain harmony between built environment and natural ecosystem. This includes increasing green spaces by planting trees inside and outside our developments, growing native plants that are local to the areas around the projects and when removal is necessary trees will be transplanted to nearby projects. In 2020, in response to severe droughts in many regions, Central Pattana has made efficiency improvements

to minimize our water consumption. For instance, we are switching to drought - tolerant landscape to reduce water usage replacing grass lawns with ground cover shrubs, installing sprinkler systems to optimize water use and turning fallen leaves and twigs into compost and fertilizer, which are used within our developments. We are also considering introducing more perennial flowers into the landscape filling it with a variety of colors through the seasons. Results from these initiatives are expected to become more visible by 2021.

In order to achieve the target of planting 10,100 perennials in Bangkok area since 2019, we have expanded our green space program for the community, which focuses on tree planting, under the concept "urban forest" to plant 6,500 additional trees in September 2020 around Nong Khaem Waste Disposal Center in Bangkok.

4.8 Engaging Communities in Environmental Development and Management





We work to minimize negative impacts of our projects on the community and the environment in every stage from construction to operations. This includes managing and reducing dust generation, noise pollution and waste during construction and engaging the community to manage public water resources and waste after opening under two Central Group projects, "Central Group Loves the Earth" and "Central Green." Together with local communities, we launched 19 environmental conservation activities in 2020, which included forming firefighting teams to battle wildfire, picking up trash from beaches, tree planting, organizing Big Cleaning, clearing drains and sewers and promoting use of tote bags instead of plastics. The activities, which were participated by 429 employees, represented 23% of "CPN Volunteer" projects and activities and accounted for 20% of hours volunteered in 2020.

Due to COVID-19, Central Pattana did not participate in 60+ Earth Hour 2020.



Sustainability Performance: Resource and Environmental Management Excellence

Topic	2020 Performance	Plan for 2021
 <p>Sustainability Indicator</p>	<ul style="list-style-type: none"> Track electricity usage and results from energy efficiency measures implemented, as part of strategic performance monitoring. Reduce usage of grid-purchased electricity (exclude tenant usage) by 19% compared to 2019 levels. 	<ul style="list-style-type: none"> Set a target to reduce electricity intensity by 20% by 2025 compared to baseline year (2015). Reduce electricity consumption by 4% from 2019 levels.
 <p>Management Approach</p>	<ul style="list-style-type: none"> Achieved 100% Carbon Footprint for Organization (CFO) certification for 34 shopping centers, Central World Offices and the Head Office. (Coverage includes properties leased by CPNREIT but excludes the Ninth Tower, Unilever House and G Tower.) Total electricity usage in 2020 fell by 19% or 191,916 MWh compared to 2019 as a result of our energy efficiency measures and temporary closure due to the COVID-19 outbreak. Onsite electricity production from solar radiation (solar PV) from 16 projects accounted for 1.60% of total energy consumption or 12,566 MWh - a 39% increase from 2019. Installed the water recycling systems in two additional shopping centers, which increased the total to 17 projects. This, together with other process improvements, led to a 50% increase in water recycling from 2019. Carried out "Journey to Zero" through separating waste at source, which reduced the volume of waste sent to landfill by 4,199 tons or 8% of total waste - a 60% improvement in waste sorting compared to 2019. Achieved ISO 14001 certification for Central Korat. There were no illegal encroachments into protected or restricted areas. Central Pattana recorded no significant incidents of non-compliance with environmental management practices or leakages. 	<ul style="list-style-type: none"> Conduct a study on greenhouse gas emissions reduction target setting to align with the targets of the Paris Agreement or Science-based targets. Roll out solar installations (solar PV) across 8 additional projects. Set a long-term target to reduce greenhouse gas emissions by 20% by 2025, compared to a 2015 baseline. Establish water reuse targets of 5% in 2021 and 20% by 2025. Achieve ISO 14001 certification for 1 additional project. Set a target to reduce waste sent to landfill by 15% from 2021 levels and set a long-term goal to halve our diversion rate by 2025.

Chapter

20

Management Discussion and Analysis

Executive Summary

The coronavirus disease (COVID-19) outbreak has impacted global and Thai economy since early of 2020. In 2H20 Thailand economy was gradually recovered after the first lockdown easing. The second wave outbreak happened around the end of 2020 however, the government has unannounced full lockdown restriction this time. Therefore, economic activity can continue resulting in less-than-expected full-year sluggish. In 2020, Thai economy was under pressure and limited by number of factors, namely 1) Shrinking of export sector, nonetheless, slightly recovered by 2H20 along with trade-economy countries 2) Pressure in local consumption from outbreak next wave concerns 3) Shrinking of private investment due to outbreak uncertainty and 4) Weakness of tourism sector which impacted by foreign tourist restriction. Although, the government has launched measures and campaigns to relief economic impact as well as stimulus measures to support local consumption and domestic tourism, Thai economy in 2020 was reported GDP at -6.1% from +2.4% in 2019 and the Bank of Thailand maintained the policy rate at 0.5% to stimulate the economic momentum and stabilized financial system.

The performance of Central Pattana Public Company Limited (“The Company” or “Central Pattana”) in 2020 shows total revenue of Baht 32,062 mn, a decrease of 16.5% YoY and net profit stood at Baht 9,557 mn, a decrease of 18.6% YoY.

Excluding the non-recurring items and impact of financial reporting standards, total revenue stood at Baht 27,798 mn and net profit stood at Baht 5,621 mn. The Company’s rental and services business was significantly affected by COVID-19 situation, the Company hence, implemented the cost saving initiatives as planned to minimize impact on business performance and all stakeholders.

In 2020, The Company was impacted by COVID-19 situation resulting a temporary closure of 34 shopping malls between 45-56 days according to an announcement from government sector. The Company still provides necessary services for customers and fully resumed shopping mall operations since second half of 2Q20 onwards. After re-opening, overall mall traffic has continued to recover supported by proactive measures to enhance cleanliness and highest safety to ensure customers by implementing practical measures to entire mall area. The Company has strictly concerned to all stakeholders and initiated the policy of efficiency management in terms of maximizing cost saving and resource allocation together with manage a cashflow adequacy to operate business during uncertainty circumstance. The Company currently manages 34 shopping malls with the net leasable area (NLA) of approximately 1.8 mn sq.m. At the end of 2020, the average occupancy rate for all domestic retail properties stood at 92%.

Major Events in 2020

Mitigation Plan for Affected Businesses during COVID-19 Pandemic Situation

The Company temporary closed all domestic shopping malls to complied with the government restriction to control the COVID-19 outbreak as per announcement since March 22, 2020. However, the Company still provides necessary services such as supermarket, convenience stores, banks, drug stores, food and beverages shops for take

away and delivery, to name a few. Moreover, the Company adopted the best practices for social distancing by arranging areas for food and beverages delivery service and take away and implement Chat and Shop system, Call center, Pick-up Counters and drive through pick-up stations to facilitate safety and convenience for customers including preventive measures in our shopping malls.

After easing lockdown restriction, the Company re-opened all malls from May 17, 2020 onwards. The Company has foreseen number of traffic improvement because of customer's increasing confidence in safety and hygiene standards. The Company has initiated "Central's Hygiene and Safety Plan" to enhance cleanliness and highest safety measures practical for shopping centers, shops, tenants, and all employees to minimize the risk and response for "New Normal" lifestyle. A practical measure as mentioned help the Company start to regain customer's confidence leads to traffic quick improvement although obtained partially impact from second wave of pandemic situation during the last two weeks in December 2020. Due to the second outbreak, domestic shopping malls located in restriction area have temporary closed totaling in four locations, comprises Central Mahachai, Central Rayong, Central Pattaya and Central Marina. In addition, the Company has strictly refrained Countdown celebration however, the impact still limits as shopping mall re-opened and operate its normal operation after unravel situation. Overall recovery is gradually improved mainly from local demand, the Company closely monitors situation with flexibility to adapt management strategy and marketing activities to fully response local demand. The adaptable strategy allows the recovery of tenant's sales in-line with mall traffic.

The Company initiated tenant's relief measure during lockdown restriction by providing rent waiver for tenants who cannot operate their business as usual, as well as provide a proper rent discount depending on how much of the impact on case-by-case basis. The relief measures are considered base on mall traffic recovery, impacted business type and sales performance. Presently, most of all tenants re-operated their business which were supported by company's marketing campaign to drive overall economy as well as assist SME.

After re-operated shopping malls, the Company has returned costs and variable expenses such as utilities, outsource services upon scale of business operations. However, the Company remains various cost reduction initiatives to reduce unnecessary costs at organization levels to mitigate the impact on revenue and profitability as the situation has yet to fully recover to normal levels. Furthermore, in light of the COVID-19 situation, the Company has scaled back the 2020 capital expenditure plan to prepare sufficient liquidity and proper capital structure amidst uncertainty circumstance.

Temporary closure of two Hotels since April 1, 2020 due to COVID-19 outbreak. Re-opened Centara and Convention center Udonthani from July 1, 2020 with occupancy rate gradually improved. Whilst taking the opportunity to accelerate the renovation of Hilton Pattaya from May 2020 and re-operated on November 14, 2020 to enhance operational efficiency allows to support foreign demand after an outbreak unwind. Given the situation, the Company implemented cost saving initiative according to the change in revenue impact from lower foreign tourists due to government's travel restriction measures.

Diversification into Mixed-use Development Projects

The Company has launched seven new residential projects to response customer's New Normal lifestyle given more personal space, locate in good location with full facilities, the new project launched comprise of:

Four Low-rise residential projects namely 1) ESCENT TOWN PHITSANULOK, townhome format 2) NINYA KALLAPAPRUEK, twin house format launched in 1Q20. 3) NIRATI CHIANGRAI and 4) NIRATI BANGNA launched in 4Q20 which accumulated ample interest in terms of visitor number from potential customers both site visit and online format.

Three Condominium projects adjacent to shopping mall developed by Central Pattana namely, 1) ESCENT RAYONG2 2) ESCENT KORAT and 3) ESCENT HATYAI all of which will enable for booking in 2021 which expect project completion and ready to transfer in 2023 onwards emphasizing the Mixed-use development leadership to expand revenue stream.

Asset Enhancement Initiatives to Enhance Long-term Competitiveness

After the closure of ISETAN department store at CentralWorld in August 2020, The Company has started the renovation from the end of 2020 by developing to multi-destination zone format, comprising a mixture of anchor and retail tenants along with new magnet brands to capture all customer demands. The Company expects the renovation to be completed and ready to open by end of 2021 to serve demand from domestic and tourist customers. Currently is under the process of negotiation with tenants who potentially interested this area.

In addition, the Company continuously renovates existing shopping malls namely, Central Rama 2 and Central Pattaya under "Destination Concept" including Food zone, Family zone, Sport zone, Fashion plus and arrange various interesting activities reflect customer's Center of Life by emphasizing new safety and hygiene experiences compatible with the "New Normal" lifestyle.

Uphold Excellence of Business Sustainability

The Company has been selected to be a membership of Dow Jones Sustainability Indices (DJSI) during 2020. Central Pattana is the only property developer company and be one of twelve company in Thailand that has been selected to be a membership of DJSI World for the third consecutive year (2018-2020) and DJSI Emerging Market for the seventh consecutive year (2014-2020) reflecting the philosophy of sustain business sense which be aware of community, environment and all stakeholders to drive a sustain social and community.

Financial and Operating Performance in 2020

Overview

The Company has four business categories under management: 1) shopping center and office for rent; 2) food center services; 3) hotel; and 4) residential for sale which includes the properties transferred to CPN Retail Growth Leasehold REIT ("CPNREIT") and CPN Commercial Growth Leasehold Property Fund ("CPNCG")

The Company managed 34 shopping centers (15 projects in Bangkok Metropolitan Area (BMA), 18 projects in the provinces, and one project overseas), 10 office towers, 30 food centers, two hotel properties, 18 residential projects consist of 13 high-rise projects and five low-rise projects.

At the end of 2020, the average occupancy rate of the Company's domestic shopping malls stood at 92%,

equal to the same period of previous year. Most of the shopping malls maintained high level of occupancy rate despite most of tenants were impacted by COVID-19. The Company render an assistance to tenants by implementing remedy measure so that they could re-operate their business which resulting in maintaining mall occupancy rate.

In 2020, same store rental revenue decreased 26% YoY mainly from COVID-19 impact by providing rent discount to tenants as well as lower marketing activities and temporary close shopping malls. The same store rental revenue excludes that of 1) new malls in 2019, namely Central i-City and Central Village; 2) malls under major renovation during 2019 and 2020, namely CentralWorld, Central Ladprao, Central Chonburi, Central Chiangrai, Central Phuket Festival, Central Pattaya, Central Chiangmai and Central Rama 2.

Non-recurring Items

The Company has non-recurring items in 2020 compared to the previous year as follows:

2020

- GLAND Office Leasehold Real Estate Investment Trust (GLANDRT) was dissolved and delisted from Stock Exchange of Thailand (GLAND has 15% ownership stake in GLANDRT) by complete assets transferred of The Ninth Towers Grand Rama 9 and Unilever House Grand Rama 9 to CPNREIT. The Company has recognized the transaction in consolidate financial statement as follows:
 - Income from GLANDRT leasehold asset divestment amount Baht 270 mn was recognized in share of profit from associated companies
 - GLANDRT dissolve expense amount Baht 227 mn was recognized in administrative expenses
 - Tax on GLANDRT dividend received amount Baht 62 mn, the final dividend payment before dissolution and delisting of the Trust
 - Commission fee on GLANDRT assets acquisition to CPNREIT amount Baht 56 mn was recognized in management income.
- The Company recognized revenue from financial lease, a one-time revenue complies with accounting standard amount Baht 2,796 mn which recognized in other income and Baht 559 mn tax is recognized in the income tax expense. The transaction does not affect the Company's cash flow.
- The Company recognized an insurance claim on CentralwOrld fire, amount Baht 280 mn.
- The Company recognized gain related to financial instruments, which is non-recurring, amount Baht 172 mn under selling & administrative expense
- The Company recognized defer tax asset adjustment under corporate income tax in 4Q20 which relates to revenue from financial lease as mention above.

2019

- The Company sold a total of 42.5 mn shares of its ownership in Dusit Thani Public Company Limited, or "DTC", or approximately 5% of the total issued and paid-up shares of DTC, at the price of Baht 12 per share. As a result, the Company reported a decrease in ownership of DTC from 22.58% to 17.58% and recorded a gain from the transaction for Baht 44.8 mn under other income.
- The Company recognized a provision of employee benefit for retirement amount Baht 116 mn, as well as a retroactive adjustment for GLAND amount Baht 15 mn which are classified under administrative expenses.
- The Company sold shares of CPN Village Company Limited, a subsidiary, to Mitsubishi Estate Asia Pte. Ltd. ("MEA") with 30% ownership stakes and recognized gain on sale of shares before tax amounting Baht 254 mn which classified under other income.

Impact from the Implementation of New Financial Reporting Standards

From 1 January 2020, the Company has adopted Thai Financial Reporting Standard - Financial instruments group (TFRS9) and Thai Financial Reporting Standard (TFRS16) - Leases which impacted to the financial statement as follows (see details in the Notes to Financial Statements No. 3 "Impact from the Changes in Accounting Standards")

TFRS9 - Immaterial impact to financial position and statement of comprehensive profit and loss.

TFRS16 - Impact to financial position which was one-time adjustment at the beginning of 2020. Impact to statement of comprehensive profit and loss.

An impact on new accounting standard adoption to statement of comprehensive profit and loss in 2020 as follow:

- The Company recognized cost of rental and services net decrease of Baht 932 mn mainly from cost of operating leases decreased Baht 2,464 mn whilst depreciation and amortization cost of right-of-use of assets (ROU) increased Baht 1,532 mn.

- The Company recognized an increase in interest expense amount Baht 1,169 mn.
- The Company recognized rental revenue, which includes rent discount amount that the Company estimated to aid tenants that are affected by the COVID-19 situation, on a straight-line amortization basis throughout the contract duration of tenants amounted Baht 1,132 mn and Baht 226 mn of income tax expense on the rental revenue recognition. The transaction does not affect the Company's cash flow.
- The Company recognized receivable from financial lease amount Baht 963 mn, which recognized in investment income until 2025. However, this item does not affect the Company's cash flow.

Overall impact of non-recurring items and TFRS16 implementation to statement of comprehensive profit and loss in 2020 as follow:

FY2020 Profit & Loss Statement Reconciliation between F/S and Core Performance

Unit: mn Baht	Per F/S	Adj. Non-recurring	Excl. Non-recurring	TFRS16 Impact	Core performance (excl. non-recurring and TFRS16)
Revenue from rental and services	24,848		24,848	-1,132	23,716
Revenue from other businesses	3,014		3,014		3,014
Other Income	4,200	-3,132	1,068		1,068
Total Income	32,062	-3,132	28,930	-1,132	27,798
Cost of rental & services	13,055		13,055	932	13,987
Cost of other businesses	1,982		1,982		1,982
Administrative expenses	5,536	-399	5,137		5,137
Operating Profit	11,490	-2,733	8,757	-2,064	6,693
(+) Share of profit from invested co.	1,042	-270	772		772
(+) Investment income	1,099		1,099	-963	136
(-) Interest expense	1,865		1,865	-1,169	696
(-) Income tax expense	2,148	-699	1,449	-226	1,223
(-) Non-controlling interest	60		60		60
Net Profit to Parent Company	9,557	-2,304	7,253	-1,632	5,621

Overall Business Performance

The following management discussion excludes an impact of non-recurring items and new accounting standard applied as mentioned above to the Company's best ability to reflect the financial performance based on actual business events, which may differ from the financial statements reviewed and/or audited by the auditors authorized by the Securities and Exchange Commission of Thailand (SEC).

Total Revenue

In 2020, the Company reported total revenue of Baht 27,798 mn, a decrease of 27% YoY mainly from a decrease of revenue from rental and services as the Company remained relief measure by waving and providing rent discount to tenants who impacted by COVID-19 during the year and the second wave outbreak in 4Q20.

Total Costs

In 2020, the Company reported total costs of Baht 15,969 mn, a decrease of 11.7% YoY mainly from effective cost reduction even though resumed all mall operations whilst other costs still lower from the year earlier, in line with a decrease in revenue.

Administrative Expenses

Total administrative expenses constituted expenses on personnel, marketing & promotion, rental expense of Hilton Pattaya Hotel based on the sublet agreement with CPNREIT, office supplies, professional fees, and depreciation and amortization of office equipment and hotel properties.

In 2020, the Company reported total administrative expenses at Baht 5,137 mn, a decrease of 23.4% YoY. The decrease is mainly attributed to lower marketing & promotion expenses regarding to marketing activities deceleration if compare to the normal situation to strictly control and minimizing risk of COVID-19 outbreak. The Company demonstrated prudent cost control measures to be in-line with a decrease in revenue to retain business normalcy in current situation. The administrative expenses to total revenue ratio stood at 18.5% increased from 17.6% compare to previous year mainly from a decrease of revenue more than a decrease of administrative expenses.

Gross Profit Ratio & Operating Profit Ratio

In 2020, the gross profit ratio, excluding other income, dropped to 40.3% from 50.7% in previous year. Whilst operating profit ratio dropped proportionately to 24% from 34.8% YoY mainly from COVID-19 outbreak impact on revenue side while continuously encouraging cost saving and lower administrative expense as mentioned earlier.

Net Profit

In 2020, the Company reported a net profit of Baht 5,621 mn, a decrease of 51.6% YoY mainly from impact of COVID-19 on revenue of each business category. Nonetheless, the Company significantly implemented cost effective management to retain normal business operation by considering all stakeholders and retain return to shareholders.

Performance of Rental and Services Business Revenue from Rental and Services

In 2020, the Company recorded revenue from rental and services at Baht 23,716 mn, a decrease of 25.5% YoY. The decrease is mainly attributed from rent waiver and rent discount to tenants at appropriate levels and on a case-by-case basis. In addition, the Company lowered certain events and marketing activities during the year compare to normal circumstance hence, revenue derived from marketing activities slightly declined.

Cost 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 for rental.

In 2020, the Company reported cost of rent and services at Baht 13,987 mn, a decrease of 9.6% YoY due to the following factors:

- Utility costs, a major component (accounts for approximately 30% of cost of rent and services) for shopping mall operations, decreased from the same period a year earlier mainly from the Company's cost effective management and continuous effort to conserve energy and utilities in operations. Hence, the utility cost decreased 20.4% YoY.
- Lower repair and maintenance and certain outsourced services costs in-line with the cost control initiatives.

Gross Profit of Rental and Services Business

The gross profit ratio for the rental and services business, which is the Company's core business, stood at 41% decreased from 51.4% in previous year mainly from a decrease in revenue proportion higher than a decrease in cost. Nevertheless, the Company continues to implement effective and cost management and prudent cost control measures to maintain its profitability and ongoing to recover.

Performance of Food Center Services Business Revenue from Food Center Services

In 2020, the Company recorded revenue from food center services at Baht 446 mn, a decrease of 47.6% YoY mainly from mainly from temporary close shopping malls during lockdown. However, traffic continuously improved after fully re-operates resulting in better performance QoQ.

Cost of Food Center Services

In 2020, the Company reported costs of food center services at Baht 304 mn, a decrease of 22.9% YoY due to effective cost management in line with revenue performance which has not yet returned to normal level.

Gross Profit of Food Center Services Business

The gross profit ratio for the food center services business stood at 31.9% decreased from 53.7% in previous year mainly from a decrease in revenue proportion higher than a decrease in cost.

Performance of Hotel Business Revenue from Hotel Operations

Hotel operations are considered as a non-core business. In 2020, revenue from hotel operations was Baht 306 mn, a decrease of 72.7% YoY. Overall hotel performance was dropped as lower tourists from COVID-19 outbreak globally since the beginning of the year. Given the outbreak situation, the Company announced a temporary closed of two hotels since April 2020 and took the opportunity to accelerate the renovation of Hilton Pattaya Hotel which currently completed the renovation and gradually re-opened from November 14, 2020. The average room occupancy at Hilton Pattaya Hotel stood at 57.2% of available rooms after re-opening in 4Q20 resulting in revenue improvement QoQ, while occupancy rate at the end of 2020 stood at 60.5%

decreased from 88.8% in previous year. After re-opened Centara Hotel and Convention Center Udonthani in July 2020, occupancy rate at the end of 2020 stood at 42%, lower than the previous year at 71%.

Cost of Hotel Operations

In 2020, the Company reported costs of hotel operations at Baht 166 mn, a decrease of 56.1% YoY due mainly to the closure period as above-mentioned. Both hotels showed effective cost control conform the changing situation.

Gross Profit of Hotel Operations

The gross profit ratio for the hotel business stood at 45.7%, a decrease from 66.2% in previous mainly from the absence of revenue from hotel operations during lockdown and renovation which fix cost existed.

Performance of Real Estate Business Revenue from Sales

In 2020, the Company recorded revenue from sales at Baht 2,262 mn, a decrease of 22.1% YoY due to lower transferred if compare to previous year. Nevertheless, there were a continuity of transfers of condominium units, namely ESCENT NAKHONRATCHASIMA, PHYLL PHAHOL 34, ESCENT UBONRATCHATHANI, ESCENT PARK VILLE CHIANGMAI and Belle Grand Rama 9 as well as the newly launched in 2020 namely ESCENT TOWN PHITSANULOK and NINYA KALLAPAPRUEK, NIRATI CHIANGRAI and NIRATI BANGNA. Hence, the residential transfers met the Company's target.

Cost of Sales

In 2020, the Company reported costs of sales at Baht 1,512 mn, a decrease of 17.5% YoY. The cost reduction in line with its revenue performance which the Company effectively manage cost.

Gross Profit of Real Estate Business

The gross profit ratio excludes other income for residential business stood at 33.1%, decrease from 36.9% in previous year (for 4Q20 stood at 35.1% increase from 32.6% in previous year) mainly from majority of the transfer attributed by new development in standalone land plot or projects outside of existing land bank.

Capital Structure

As of December 31, 2020, the Company reported total interest-bearing debt of Baht 45,535 mn, an increase from the balance as of December 31, 2019 of Baht 33,210 mn, mainly due to the higher short-term and long-term borrowings from financial institutions. Meanwhile, the weighted average financing cost at the end of 2020 stood at 2.03%, lower than 2.96% as of December 31, 2019. Fixed interest rates debt comprises 41% of total interest-bearing debt, floating interest rates make up 59%.

Net interest-bearing debt to equity ratio stood at 0.48x, increased from the ratio at the end of 2019 at 0.38x. Although the Company has higher interest-bearing debt amount, the ratio does not exceed policy level at one time and debt covenant at 1.75 times. On November 4, 2020, the Company issued and offered for sales CPN242A debenture value of Baht 3,000 mn objectively to repay company's existing debt. Furthermore, the Company emphasizes on the importance of effective management of its capital structure to be resilient towards the volatile money market and capital market, as well as maintain its financing cost at an optimum level for its businesses going forward.

Assets Management Capability

The Company reported the ratio of Return on Assets, Return on Fixed Assets and Assets Turnover that are broadly in-line with other companies in the same industry. In 2020 those ratios mentioned reported at 4.88%, 12.97% and 0.16 times, slightly decreased from 2019 as revenue and profit were impacted by an outbreak during the year. However, the Company well managed assets and investment in assets to be consistent with the situation according to no new retail project launched but continue assets enhancement initiatives to add value of existing assets.

Credit Term

Under normal circumstances, the Company typically provides trade credit term between 1-30 days. In 2020, due to the COVID-19 pandemic situation that affected the ability of debtors, mainly comprise tenants in the shopping malls, to fulfill the credit obligations, the Company provided relief measures to the tenants, ranging from rental discount to temporary relaxation of credit term. At the end of 2020, the average collection period was 41 days, an increase from 15 days in 2019 shaped by the relief measures mentioned earlier. As there is a certain portion of accounts receivable that remains on hold amidst rental discount negotiation, the Company believes that, as soon as the discounts are finalized, the outstanding amount can be collected and the average collection period should revert to the level close to normal circumstances. On the other hand, the Company has an average payment period of 36 days in 2020, a decrease from 45 days in 2019, which is broadly in-line with the policy to support the Company's stakeholders under challenging environment. Hence, in 2020, the Company's cash cycle is approximately 5 days, an increase from -30 days in the previous year, but has nevertheless enable the Company to adequately manage its cash flow and liquidity to support ongoing businesses.

Dividend

On February 18, 2021, the Board of Directors passed a resolution to propose to the Annual General Meeting of Shareholders, which will be held on a later date, to approve the dividend payment of Baht 0.70 per share to be paid from the 2020 net profit.

Shares Repurchase Project

On February 20, 2020, the Board of Directors passed a resolution of Shares Repurchase Project for a purpose of financial structure management. The number of shares repurchase will not exceed 77 mn shares or no more than 1.7% of the Company's number of paid-up shares capital, or not exceed the limit of Baht 5,000 mn total transaction amount. The repurchases were made on the Stock Exchange of Thailand during March 6, 2020 to September 5, 2020. The Company has repurchased a total number of 17.15 mn shares, equivalent to 0.38% of the total paid-up capital and amounted to Baht 761 mn.

Financial Position

Total Assets

As of December 31, 2020, the Company reported total assets at Baht 221,773 mn, an increase of Baht 51,840 mn or 30.5% from the previous year. Total assets include the following items.

Current Assets

Current assets consist of cash and cash equivalent, short-term investments, net trade and other accounts receivable, and real estate projects under development.

As of December 31, 2020, the Company reported current assets at Baht 23,886 mn, an increase of Baht 7,508 mn or 45.8% from the previous year. Key drivers to the change are:

- Cash and cash equivalents of Baht 5,165 mn and short-term investments of Baht 1,005 mn from net cash used in investing activities decreased from investment plan revisited to keep up with the situation while net cash from financing activities increased from financial institution borrowings.
- An increase in real estate development for sales of Baht 671 mn mainly from real estate completed.
- An increase in accounts receivable of Baht 2,216 mn mainly from the rent discount negotiation process with tenants affected by COVID-19 situation.

Non-current Assets

Non-current assets consist of restricted bank deposits, investments in joint ventures and associates, long-term investment in related businesses and other businesses, deferred tax assets, investment properties, leasehold rights, goodwill and net property, plant and equipment.

As of December 31, 2020, the Company reported non-current assets of Baht 197,888 mn, an increase of Baht 44,333 mn or 29% from the previous year. Key drivers to the change are:

- An increase in investment properties of Baht 55,479 mn due to the recognition of right-of-use of underlying assets from 2020 onwards, whereas the leasehold rights decreased by Baht 20,783 mn due to the

amount reclassification under investment properties. These movements are stipulated by the adoption of TFRS16, which is effective in 2020.

- A recognition of lease liability of Baht 16,398 mn resulted from the financial lease transaction in 2020, as explained in the non-recurring items, and is in accordance with TFRS16.
- A decrease in investment in associated companies of Baht 1,627 mn due to the divestment of units in GLANDRT during the year.
- A decrease in investment in joint ventures and advanced payment for shares totaling Baht 4,664 mn resulted from the change in status of Bayswater Co., Ltd. from a joint venture to a subsidiary, following the completion of shares acquisition for 50% stake in the entity during the year (the other 50% is held by GLAND, a subsidiary).

Total Liabilities

As of December 31, 2020, the Company reported total liabilities of Baht 144,650 mn, an increase of Baht 55,179 mn or 61.7% from the previous year. The Company's liabilities include the following items:

Current Liabilities

Current liabilities consist of trade and other accounts payable, interest-bearing debt due within one year from both related parties and other parties, portion of advances on rental and services revenue to recognize within one year, portion of leasehold rights payable due within one year and income tax payable.

As of December 31, 2020, the Company reported current liabilities at Baht 30,554 mn, an increase of Baht 9,479 mn or 45% from the previous year. Key drivers to the change are:

- An increase in short-term interest-bearing debt and current portion of long-term loan of Baht 9,165 mn from short-term borrowings from financial institution to manage liquidity sufficiency during COVID-19 situation.
- A recognition of a current portion of lease liabilities in one year of Baht 2,112 mn due to TFRS16 adoption.

Non-current Liabilities

Non-current liabilities consist of long-term interest-bearing debt, deferred tax liabilities, employee benefit obligations, accounts payable of leasehold rights, advances on rental and services revenue, customer deposits, guarantees for leasehold rights, provision for decommissioning and restoration and lease liability (TFRS16 adoption).

As of December 31, 2020, the Company reported non-current liabilities at Baht 114,096 mn, an increase of Baht 45,700 mn or 66.8% from the previous year. Key drivers to the change are:

- A recognition of lease liability of Baht 43,487 mn due to TFRS16 adoption.
- An increase in long-term interest-bearing debt of Baht 3,160 mn objectively to manage company's capital structure adequacy for future investment plan and to lower cost of debt.

Shareholders' Equity

As of December 31, 2020, the Company reported total shareholders' equity at Baht 77,123 mn, a decrease of Baht 3,339 mn or 4.1% from the previous year. Key drivers to the change are:

- A decrease in unappropriated retained earnings of Baht 2,762 mn, comprises net comprehensive profit for the year at Baht 9,557 mn, net of new accounting standard adoption of Baht 8,742 mn and dividend paid during the year at Baht 3,577 mn.
- A recognition of share repurchases of Baht 761 mn during the year.

Liquidity and Funding Adequacy

Sources and Uses of Funds

Cashflow

As of December 31, 2020, the Company has cash and cash equivalent balance of Baht 7,219 mn, an increase of Baht 5,165 mn (including an increase of Baht 22 mn resulting from change in foreign exchange translation) or 251.6% from the previous year. Key movements in the cash and cash equivalent are as follows:

- **Cashflow from Operating Activities**
In 2020, the Company receives a net operating cash inflow of Baht 7,761 mn, mainly attributed by a decrease in net profits as the business performance is impacted by the COVID-19 outbreak, as well as the recognition of gain on asset sales in which the Company has not received cash yet, and changes in operating assets and liabilities during the year, for example, an increase in real estate for sale, an increase in unearned rental and services revenue, and an increase in accounts receivables amidst rental discount negotiation process, to name a few.
- **Cashflow from Investing Activities**
In 2020, the Company has a net cash outflow from investing activities at Baht 7,732 mn. The outflow mainly comprises capital expenditures (CAPEX) in investment properties for the development of new projects and enhancement of existing projects, which the Company continues to carry the investment momentum whilst balancing the need to preserve cash and liquidity. Furthermore, the Company continues to invest in short-term investments, property, plant and equipment, and leaseholdrights at a reasonable level to maintain a robust business structure to withstand a volatile environment.
- **Cashflow from Financing Activities**
In 2020, the Company has a net cash inflow from financing activities at Baht 5,114 mn, mainly from the net receipt on loans from financial institutions and institutional investors as part of the effective capital structure management plan resilient to the money and capital markets environment, as well as to support the business plan. Meanwhile, the Company recognizes cash outflow as a result of payment of lease liabilities, payment to owners to acquire the entity's shares, proceeds from loans from financial institutions and institutional investors.
- **Capital Expenditure**
In 2020, the Company spent approximately Baht 12,900 mn of capital expenditure (CAPEX), which comprises Baht 8,200 mn for land acquisition and development of new projects in the future, Baht 1,700 mn for the enhancement of existing shopping malls, Baht 2,900 mn for mixed-use development projects, such as residential development.

Business Plan

Outlook for 2021 Performance

The Company prepared its 2021 business plan based on the premise in which COVID-19 continues to affect business operations. Hence, the Company continuously monitors the financial performance on a quarterly basis and is ready to calibrate its business plan according to the changing economy and industry environments. In summary, the outlook for 2021 are as follows:

In 2021, the Company estimates that the COVID-19 impact to its revenues will be relatively limited compared to 2020, which saw a nationwide lockdown from the initial outbreak. As of February 2021, the situation surrounding the fresh round of outbreak starts to improve and, as the situation becomes under control, the Company expects a swift and strong recovery of revenues similar to the trend witnessed in the second half of 2020. Together with the advancement in vaccine availability and economic stimulus packages to alleviate the impact, consumption and tourism should also recovery at a solid pace, which in turn should be beneficial to the Company's business performance. Furthermore, the Company will open two new retail-led projects during 2021, which will support revenue growth going forward. Whilst there are many supportive factors, the Company maintains a prudent approach to calibrate its business plan according to varying circumstances and constantly changing economic climate.

Additionally, the Company focus on cost-efficiency management compatible with overall business and revenue direction by reducing variables cost, for example, utilities, marketing & promotion expense same as the year passing by. The cost management plan and ability to preserve company's revenue base could help to maintain company's profitability nearly to previous year together with strictly cost control even in better situation to increase its profitability afterward.

Five-Year Business Plan

The Company has set its five-year (2021-2025) investment plan and business objectives with the aim of maintaining average revenue growth per year (CAGR) at approximately 10% or higher, primarily driven by new mixed-use development projects, enhancement of existing shopping malls, and development of new residential projects, hotels and offices, both announced and unannounced. Furthermore, the Company prepares adequate levels of cash flow and liquidity under challenging circumstance of COVID-19 outbreak to meet its near-term and long-term objectives. Nonetheless, the Company maintains its confidence in its growth strategy under the vision of the "Center of Life", such that its business operations will continue to be the center of happiness, create new experiences, and become the safe and health-conscious place for people in multiple communities and lifestyle preferences. The Company is studying potential new concepts to accommodate the lifestyle needs of customers and the more dynamic operations by tenants as they embrace living under the New Normal.

The Company recognizes the potential to develop mixed-use projects in the shopping mall area by utilizing the existing vacant plots of land adjacent to the shopping malls, thus enhancing the value of investments in the form of residential development, office buildings and hotels, to name a few. The Company announced development plan of new projects namely **Central Ayutthaya** (opening in 2021), **Central Si Racha** (opening in 2021) and **Central Chanthaburi** (targeted opening in 2022) and **Dusit Central Park** (phased opening from 2023-2024 onwards).

Furthermore, the Company continuously plan for asset enhancements and studies new development platform of unannounced assets including undeveloped land under GLAND. The Company straight forward to develop projects such as office, hotel, residential projects under the concept of "Center of Life" to strengthen its core business. Moreover, the Company studied the M&A opportunities to invest in high growth potential assets and good return on investment as well as expand its business the Southeast Asian countries, especially Malaysia and Vietnam to access new revenue stream and accommodate its sustainable growth aspiration.

The Lease of Assets to CPNREIT

On November 24, 2020, CPN Retail Growth Leasehold REIT was allowed the issuance and offering for sale of trust units, the fund raising objectively for investing in two assets of Central Pattana namely 1) Central Marina with a lease tenure of 15 years ending 2035; 2) Central Lampang with a lease tenure of 22 years ending 2041 with total transaction value not over Baht 5,866 mn according to the resolutions

of the Extraordinary General Meeting of Unitholders of CPN Retail Growth Leasehold REIT that agreed CPNREIT to lease new assets from the Company. CPNREIT has recently announced the final price for the subscription of additional units, the proceeds of which will be invested in the above-mentioned projects. Hence, the transaction is expected to be complete by the end of February 2021.

Statement of Comprehensive Income

	Audited					
	FY 2018		FY 2019		FY 2020	
	in Baht	%	in Baht	%	in Baht	%
Revenue						
Revenue from rental and services	29,025,855,290	81.9	31,843,166,597	82.5	24,848,318,512	74.9
Revenue from food center services	733,018,504	2.1	851,460,677	2.2	446,087,025	1.3
Revenue from hotel operation	1,207,833,474	3.4	1,120,527,271	2.9	306,073,926	0.9
Revenue from sale of real estate	2,761,736,087	7.8	2,904,236,972	7.5	2,261,550,432	6.8
Investment income	115,143,290	0.3	187,169,749	0.5	1,098,703,393	3.3
Other income	1,613,078,936	4.5	1,683,415,423	4.4	4,200,381,217	12.7
Total Income	35,456,665,581	100.0	38,589,976,689	100.0	33,161,114,505	100.0
Expenses						
Cost of rent and services	14,143,042,184	39.9	15,480,793,657	40.1	13,055,138,129	39.4
Cost of food center services	332,150,484	0.9	393,999,648	1.0	303,888,654	0.9
Cost of hotel operation	423,005,969	1.2	378,503,657	1.0	166,181,377	0.5
Cost of sale of real estate	1,564,737,158	4.4	1,833,045,051	4.8	1,511,846,567	4.6
Administrative expenses	6,114,292,602	17.2	6,838,814,813	17.7	5,535,522,280	16.7
Total Expenses	22,577,228,397	63.7	24,925,156,826	64.6	20,572,577,007	62.0
Operating Profit	17,265,507,560	45.3	18,633,049,504	45.5	12,824,975,168	36.4
Share of Profit (Loss)						
Share of profit from associates and joint ventures	987,151,119	2.8	1,292,258,297	3.3	1,041,591,853	3.1
Finance costs	(426,332,773)	(1.2)	(811,468,750)	(2.1)	(1,864,971,756)	(5.6)
Tax expense	(2,056,902,384)	(5.8)	(2,336,357,717)	(6.1)	(2,148,442,833)	(6.5)
Profit (Loss) for the year before non-controlling interests	11,383,353,146	32.1	11,809,251,693	30.6	9,616,714,762	29.0

Statement of Comprehensive Income

	Audited					
	FY 2018		FY 2019		FY 2020	
	in Baht	%	in Baht	%	in Baht	%
(Profit) Loss attributable to non-controlling interests	(167,700,279)	(0.5)	(70,846,743)	(0.2)	(59,617,903)	(0.2)
Profit Attributable to Owners of the Parent	11,215,652,867	31.6	11,738,404,950	30.4	9,557,096,859	28.8
Other Comprehensive Income						
Exchange differences on translating financial statements	28,946,025		(176,866,113)		22,337,440	
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	0		0		161,354,598	
Gain on measurement of financial assets	(220,850,836)		71,566,027		0	
Losses on remeasurements of defined benefit plans	(26,483,672)		0		0	
Other comprehensive income (expense) for the year, net of tax	(218,388,483)		(105,300,086)		183,692,038	
Total comprehensive income (loss) before non-controlling interests	11,164,964,663		11,703,951,607		9,800,406,800	
Total comprehensive income (loss) attributable to non-controlling interests	(167,700,279)		(13,105,096)		(58,934,733)	
Total Comprehensive Income (Loss) Attributable to Owners of the Parent	10,997,264,384		11,690,846,511		9,741,472,067	
Retained earnings - Unappropriated at January 1	50,890,234,034		55,007,135,395		52,715,056,316	
Impact of changes in accounting policies*					(8,742,026,084)	
Changes in ownership interests in subsidiaries	(789,180,044)		(351,862,666)		0	
Dividends to owners of the Company	(6,283,087,790)		(4,936,595,279)		(3,576,589,656)	
Profit (Loss) for the year	11,215,652,867		11,738,404,950		9,557,096,859	
Other comprehensive income	(26,483,672)		0		0	
Retained earnings - Unappropriated at December 31	55,007,135,395		61,457,082,400		49,953,537,435	
Basic Earnings per Share (in Baht)						
Basic Net Profit (loss) per Share	2.50		2.62		2.13	

Remark: * From January 1, 2020, the Company has adopted Thai Financial Reporting Standard - Financial instruments group (TFRS9) which has immaterial impacted to financial position and statement of comprehensive profit and loss while Thai Financial Reporting Standard (TFRS16) impacted to statement of comprehensive profit and loss in recognition of revenue from rental and services, cost of rent and services and finance costs.

Statement of Financial Position

	Audited					
	FY 2018		FY 2019		FY 2020	
	in Baht	%	in Baht	%	in Baht	%
Current Assets						
Cash and cash equivalents	3,021,030,701	1.9	2,053,237,349	1.2	7,218,687,997	3.3
Current investments	45,520,769	0.0	1,001,374,831	0.6	2,006,244,162	0.9
Trade accounts receivable - net	1,278,625,107	0.8	1,355,706,522	0.8	3,571,263,150	1.6
Other receivables	3,168,772,085	2.0	3,606,333,839	2.1	2,057,258,780	0.9
Real estate projects under development	7,787,315,457	4.8	8,361,607,398	4.9	9,032,387,201	4.1
Total current assets	15,301,264,119	9.5	16,378,259,939	9.6	23,885,841,290	10.8
Non-current Assets						
Restricted bank deposits	11,222,888	0.0	1,000,000	0.0	1,000,000	0.0
Investments in associates	7,045,707,212	4.4	7,357,462,849	4.3	5,730,869,437	2.6
Investments in joint ventures	2,853,474,276	1.8	4,809,159,317	2.8	2,454,331,140	1.1
Long-term investments in related parties	1,908,857,872	1.2	1,557,186,704	0.9	1,955,956,969	0.9
Other long-term investments	172,924,286	0.1	199,188,980	0.1	0	0.0
Advance payment for shares	0	0.0	2,309,616,000	1.4	0	0.0
Finance lease receivable	0	0.0	0	0.0	16,397,781,538	7.4
Long-term loans to related parties	4,518,469,601	2.8	5,166,689,978	3.0	932,282,123	0.4
Deferred tax assets	1,899,878,950	1.2	2,226,344,210	1.3	3,392,385,670	1.5
Investment properties	108,412,457,321	67.0	104,503,446,798	61.5	159,982,702,777	72.1
Property, plant and equipment	1,646,079,488	1.0	1,596,512,025	0.9	3,241,510,575	1.5
Goodwill	1,036,491,639	0.6	1,036,491,639	0.6	1,036,491,639	0.5
Leasehold rights	14,085,954,198	8.7	20,782,536,590	12.2	0	0.0
Rights for usage of assets	414,568,118	0.3	377,196,868	0.2	0	0.0
Other non-current assets	2,400,476,442	1.5	1,631,942,264	1.0	2,762,353,489	1.2
Total non-current assets	146,406,562,291	90.5	153,554,774,222	90.4	197,887,665,357	89.2
Total Assets	161,707,826,410	100.0	169,933,034,161	100.0	221,773,506,647	100.0

Statement of Financial Position

	Audited					
	FY 2018		FY 2019		FY 2020	
	in Baht	%	in Baht	%	in Baht	%
Current Liabilities						
Short-term loans from financial institutions	7,948,005,411	4.9	4,970,000,000	2.9	11,732,000,000	5.3
Trade accounts payable	1,782,454,493	1.1	1,694,324,758	1.0	911,171,489	0.4
Other payables	6,180,048,570	3.8	5,563,848,687	3.3	4,913,224,111	2.2
Current portion of lease liabilities	0	0.0	0	0.0	2,111,591,362	1.0
Short-term loans from related parties	90,089,296	0.1	125,761,218	0.1	226,249,340	0.1
Short-term loans from other parties	0	0.0	0	0.0	0	0.0
Current portion of long-term loans	2,927,965,861	1.8	3,769,203,285	2.2	6,172,903,428	2.8
Current portion of lease liabilities	0	0.0	0	0.0	0	0.0
Current portion of advance received from rental and service income	1,720,153,388	1.1	1,842,399,134	1.1	1,905,361,362	0.9
Income tax payable	662,266,277	0.4	921,155,034	0.5	483,540,665	0.2
Provisions for employee benefits	0	0.0		0.0	0	0.0
Contractor payables	3,272,005,023	2.0	2,188,285,081	1.3	2,098,047,208	0.9
Total current liabilities	24,582,988,319	15.2	21,074,977,197	12.4	30,554,088,965	13.8
Non-current Liabilities						
Long-term loans from related parties	0	0.0	692,724,451	0.4	724,338,063	0.3
Other long-term loans	19,522,147,447	12.1	24,470,814,350	14.4	27,630,459,673	12.5
Lease liabilities	0	0.0	0	0.0	43,486,788,889	19.6
Accounts payable for leasehold rights	418,017,667	0.3	0	0.0	0	0.0
Deferred tax liabilities	2,035,483,307	1.3	1,974,785,570	1.2	2,623,959,102	1.2
Non-current provisions for employee benefits	461,329,522	0.3	649,366,793	0.4	730,904,814	0.3
Advance received from rental income	32,310,327,223	20.0	32,292,675,950	19.0	30,649,055,873	13.8
Deposits received from customers	7,692,519,955	4.8	8,027,661,841	4.7	7,865,714,904	3.5
Provision for long-term liabilities	275,479,220	0.2	287,057,469	0.2	384,188,218	0.2
Guarantees received for leasehold rights	233,796,711	0.1	707,362	0.0	707,362	0.0
Total non-current liabilities	62,949,101,052	38.9	68,395,793,786	40.2	114,096,116,898	51.4
Total Liabilities	87,532,089,371	54.1	89,470,770,983	52.7	144,650,205,863	65.2

Statement of Financial Position

	Audited					
	FY 2018		FY 2019		FY 2020	
	in Baht	%	in Baht	%	in Baht	%
Equity						
Share capital						
Authorised share capital*	2,244,000,000		2,244,000,000		2,244,000,000	
Issued and paid-up share capital	2,244,000,000	1.4	2,244,000,000	1.3	2,244,000,000	1.0
Premium on ordinary shares	8,558,557,850	5.3	8,558,557,850	5.0	8,558,557,850	3.9
Retained earnings						
Legal reserve	224,400,000	0.1	224,400,000	0.1	224,400,000	0.1
Unappropriated	55,007,135,395	34.0	61,457,082,400	36.2	58,695,563,519	26.5
Treasury shares	0	0.0	0	0.0	(761,216,026)	-0.3
Other components of equity	(308,073,729)	(0.2)	(355,632,169)	(0.2)	(171,256,961)	(0.1)
Non-controlling interests	8,449,717,523	5.2	8,333,855,097	4.9	8,333,252,402	3.8
Total equity	74,175,737,039	45.9	80,462,263,178	47.3	77,123,300,784	34.8
Total Liabilities and Equity	161,707,826,410	100.0	169,933,034,161	100.0	221,773,506,647	100.0

Remark: * From January 1, 2020, the Company has adopted Thai Financial Reporting Standard - Financial instruments group (TFRS9) which has immaterial impacted to financial position and statement of comprehensive profit and loss while Thai Financial Reporting Standard (TFRS16) additionally recognized finance lease receivable, lease liabilities as well as retain earnings adjusted to statement of financial position.

Statement of Cash Flows

	Audited					
	FY 2018		FY 2019		FY 2020	
	in Baht	%	in Baht	%	in Baht	%
Cash Flows from Operating Activities						
Profit for the year	11,383,353,146	66.4	11,809,251,693	66.5	9,616,714,762	123.9
Adjustments to reconcile profit (loss)						
Real estate projects under development decrease from transfer to cost of sale	1,564,737,158	9.1	1,833,045,051	10.3	1,511,846,567	19.5
Depreciation and amortisation expenses	5,905,735,427	34.5	7,116,898,885	40.0	7,906,273,454	101.9
(Reversal) bad debt and doubtful debts expenses	0	0.0	0	0.0	0	0.0
Investment income	(115,143,290)	(0.7)	(187,169,749)	(1.1)	(1,098,703,393)	(14.2)
Finance costs	426,332,773	2.5	811,468,750	4.6	1,864,971,756	24.0
(Reversal of) impairment loss recognised in profit or loss	34,496,992	0.2	(15,505,315)	(0.1)	21,644,864	0.3
Write-off of investment properties	3,890,492	0.0	56,981,896	0.3	108,111	0.0
Gain on sale of other non-current financial assets - investments in equity instruments	(7,673,576)	(0.0)	(48,941,617)	(0.3)	0	0.0
Gain on sale of other current financial assets - investments in debt instruments	(16,403,862)	(0.1)	(6,773,793)	(0.0)	(12,136,830)	(0.2)
(Gain) loss on sales of assets	(3,504,608)	(0.0)	(1,651,964)	(0.0)	(2,569,655,733)	(33.1)
Recognition of advance received from rental income	(1,640,018,757)	(9.6)	(1,878,052,127)	(10.6)	(2,371,297,395)	(30.6)
Non-current provisions for employee benefits	56,735,638	0.3	201,691,121	1.1	89,869,818	1.2
Share of profit of associates and joint ventures accounted for using equity method	(987,151,119)	(5.8)	(1,295,501,982)	(7.3)	(1,041,591,853)	(13.4)
Unrealised (gain) loss on exchange rate	74,956	0.0	33,609,677	0.2	(1,564,287)	(0.0)
Unrealised loss from financial instruments	0	0.0	192,118,451	1.1	79,408,383	1.0
Provisions for decommissioning and restoration	0	0.0	0	0.0	0	0.0
(Gain) loss on fair value adjustment - investments in debt instrument	0	0.0	0	0.0	2,747,721	0.0
Tax expense	2,056,902,384	12.0	2,336,357,717	13.1	2,148,442,833	27.7
	18,662,363,754	108.9	20,957,826,694	117.9	16,147,078,778	208.0
Changes in Operating Assets and Liabilities						
Trade accounts receivable	75,037,114	0.4	(61,576,100)	(0.3)	(2,237,201,492)	(28.8)
Other receivables	201,745,226	1.2	(557,802,649)	(3.1)	1,359,658,505	17.5
Real estate projects under development	(1,362,139,329)	(7.9)	(1,981,901,213)	(11.2)	(2,075,105,779)	(26.7)
Other non-current assets	(919,442,407)	(5.4)	614,300,093	3.5	(1,934,017,910)	(24.9)
Trade accounts payable	(143,915,969)	(0.8)	(200,036,003)	(1.1)	(783,153,269)	(10.1)
Other payables	599,208,342	3.5	(719,231,428)	(4.0)	(1,265,459,390)	(16.3)
Advance received from rental income	1,588,333,205	9.3	1,982,646,600	11.2	790,639,546	10.2
Deposits received from customers	606,140,848	3.5	335,141,886	1.9	(161,946,937)	(2.1)
Provisions for employee benefit paid	(3,878,100)	(0.0)	(13,653,850)	(0.1)	(8,331,798)	(0.1)
Tax paid	(2,164,122,589)	(12.6)	(2,584,463,889)	(14.5)	(2,070,794,583)	(26.7)
Net Cash from Operating Activities	17,139,330,095	100.0	17,771,250,141	100.0	7,761,365,671	100.0

Statement of Cash Flows

	Audited					
	FY 2018		FY 2019		FY 2020	
	in Baht	%	in Baht	%	in Baht	%
Cash Flows from Investing Activities						
Interest received	20,982,103	(0.1)	41,234,236	(0.3)	45,657,261	(0.6)
Dividends received	913,380,125	(5.0)	1,053,942,734	(6.6)	939,833,294	(12.2)
(Increase) decrease in other current financial assets	2,910,997,710	(15.8)	(947,371,608)	6.0	(993,414,399)	12.8
Acquisition of investments in subsidiaries, associates and joint ventures	(75,348,250)	0.4	(2,126,027,397)	13.4	(108,358,000)	1.4
Advance payment for shares	0	0.0	(2,309,616,000)	14.5	0	0.0
Proceeds from disposal and redemption of investment in subsidiaries and associates	21,889,868	(0.1)	0	0.0	683,683,536	(8.8)
Acquisition of other long-term investments	(44,818,286)	0.2	0	0.0	0	0.0
Acquisition of other long-term investments in related parties	(2,147,314,306)	11.6	(98,298,426)	0.6	0	0.0
Proceeds from sale of long-term investments in related parties	43,635,398	(0.2)	560,349,250	(3.5)	0	0.0
Proceeds from sale of other long-term investments	0	0.0	0	0.0	0	0.0
Repayments of loans to related parties	(56,202,750)	0.3	(551,299,493)	3.5	(568,731,667)	7.4
Proceeds from repayment of loans to related parties	62,650,403	(0.3)	0	0.0	169,810,000	(2.2)
Acquisition of investment properties	(4,811,278,120)	26.1	(6,282,122,909)	39.5	(6,430,363,103)	83.2
Acquisition of property and equipment	(182,411,550)	1.0	(211,075,777)	1.3	(468,160,473)	6.1
Acquisition of intangible assets	0	0.0	(3,676,086)	0.0	(15,569)	0.0
Acquisition of leasehold rights	(3,765,670,031)	20.4	(3,290,602,281)	20.7	0	0.0
Proceeds from sale of leasehold rights and investment properties	68,760,493	(0.4)	136,554,305	(0.9)	300,292,018	(3.9)
Advance payment for purchase of investment properties and leasehold rights	(228,220,975)	1.2	(228,220,975)	1.4	(280,287,223)	3.6
Repayment of accounts payable for leasehold rights	(33,333,333)	0.2	(418,017,667)	2.6	0	0.0
Repayment of contractor payables	(1,436,670,415)	7.8	(1,221,972,671)	7.7	(1,022,186,363)	13.2
Acquisition of subsidiaries	(9,710,732,944)	52.6	0	0.0	0	0.0
Net Cash (used in) Investing Activities	(18,449,704,860)	100.0	(15,896,220,765)	100.0	(7,732,240,688)	100.0

Statement of Cash Flows

	Audited					
	FY 2018		FY 2019		FY 2020	
	in Baht	%	in Baht	%	in Baht	%
Cash Flows from Financing Activities						
Proceeds from restricted bank deposits	0	0.0	10,222,888	(0.4)	0	0.0
Interest paid	(610,576,876)	(32.4)	(966,667,807)	36.3	(775,941,165)	(15.2)
Proceeds from loans from financial institutions and institutional investors	24,828,865,411	1,317.7	32,638,778,000	(1,224.3)	48,462,000,000	947.6
Repayments of loans from financial institutions and institutional investors	(12,569,734,572)	(667.1)	(29,826,878,273)	1,118.8	(36,128,203,285)	(706.5)
Proceeds from loans from related parties	75,807,000	4.0	1,228,327,392	(46.1)	115,350,000	2.3
Repayments of loans from related parties	0	0.0	(330,000,000)	12.4	0	0.0
Proceeds from loans from other companies	0	0.0	0	0.0	0	0.0
Payment of lease liabilities	(820,863)	(0.0)	(2,709,608)	0.1	(2,164,921,112)	(42.3)
Payment of changes in ownership interest in subsidiaries without a change in control	(4,053,923,103)	(215.1)	(24,616,290)	0.9	0	0.0
Payment to owners to acquire the entity's shares	0	0.0	0	0.0	(761,216,026)	(14.9)
Dividends paid to owners of the Company	(6,282,449,843)	(333.4)	(5,014,931,019)	188.1	(3,633,080,187)	(71.0)
Proceeds from issuance of ordinary shares of subsidiaries to non-controlling interests	497,153,491	26.4	(377,481,898)	14.2	0	0.0
Net Cash from (used in) Financing Activities	1,884,320,645	100.0	(2,665,956,615)	100.0	5,113,988,225	100.0
Increase (decrease) in Cash and Cash Equivalents						
- Net	573,945,880		(790,927,239)		5,143,113,208	
Cash and cash equivalents at 1 January	2,418,138,796		3,021,030,701		2,053,237,349	
Exchange differences on translating foreign operations	28,946,025		(176,866,113)		22,337,440	
Cash and cash equivalents at 31 December	3,021,030,701		2,053,237,349		7,218,687,997	

Financial Ratios

As at December 31	2018	2019	2020
Liquidity Ratio			
Current ratio (times)	0.62	0.78	0.78
Quick ratio (times)	0.18	0.21	0.42
Cash flow ratio (times)	0.88	0.78	0.30
Receivables turnover (times)	22.44	24.21	8.87
Average collection period (days)	16	15	41
Account payable turnover (times)	8.76	8.11	10.02
AP conversion period (days)	42	45	36
Cash conversion cycle ⁽⁴⁾ (days)	(25)	(30)	5
Profitability Ratio			
Gross profit margin ⁽¹⁾ (%)	52.89%	52.53%	47.53%
Operating profit margin ⁽¹⁾ (%)	35.52%	35.06%	32.05%
Non-operating profit to total revenue ⁽⁵⁾ (%)	4.23%	4.63%	17.29%
Cash flow to operating profit (%)	138.05%	133.01%	84.49%
Net profit margin ⁽¹⁾ (%)	30.14%	29.36%	23.55%
Return on equity ⁽²⁾ (%)	17.59%	17.03%	13.56%
Efficiency Ratio			
Return on assets (%)	7.95%	7.08%	4.88%
Return on fixed assets (%)	17.41%	17.45%	12.97%
Assets turnover (times)	0.25	0.23	0.16
Financial Policy Ratio			
Liabilities to equity ratio (times)	1.18	1.11	1.88
Net interest-bearing debt to equity ratio ⁽³⁾ (times)	0.37	0.38	0.48
Interest coverage ratio (times)	30.01	21.18	22.03
Net interest bearing debt to EBITDA ⁽³⁾ (times)	1.50	1.51	2.18
Debt service coverage ratio (times)	1.67	2.31	0.94
Dividend payout ratio (%)	44.02%	30.47%	32.75%

Remarks: ⁽¹⁾ Gross profit margin, Operating profit margin and Net profit margin were calculated by excluding investment income and non-recurring items

⁽²⁾ Return on equity was calculated by excluding non-controlling interests in subsidiaries

⁽³⁾ Net interest bearing debt is net off cash and cash equivalents, current investments

⁽⁴⁾ Cash conversion cycle was calculated from Average collection period subtract AP conversion period excludes average inventory days due to nature of business

⁽⁵⁾ Non-operating profit consists of non-recurring revenue, share of profit from subsidiaries and joint ventures, investment income

Chapter

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Other Information and Reference Persons

Other Information and Reference Persons

Central Pattana Public Company Limited

Location	32 nd Floor, Central World Offices, 999/9 Rama I Road, Patumwan Sub-District, Patumwan District, Bangkok 10330, Thailand
Telephone	+66 (0) 2667 5555
Corporate Website	www.centralpattana.co.th
Registration No.	0107537002443
Establishment	June 17, 1980
Listed on the Stock Exchange of Thailand (SET)	March 1, 1995
Business Overview	Develop and invest in retail property for rent comprising large-scale shopping centers and other related and supportive businesses, such as office buildings, hotels, residential development and food court. In addition, the Company invests in CPN Commercial Growth Leasehold Property Fund (CPNCG) and CPN Retail Growth Leasehold REIT (CPNREIT), and is the property manager and REIT manager.
Contacts	Company Secretary Telephone: +66 (0) 2667 5555 Ext. 1665 1684 1685 1686 and 1687 Email: co.secretary@centralpattana.co.th Investor Relations Telephone: +66 (0) 2667 5555 Ext. 1614 1632 and 1688 Email: ir@centralpattana.co.th
Shareholders' Meeting	The Annual General Meeting (AGM) will be held on April 30, 2021 at 2.00 p.m. via electronics means (E-AGM).

Investor Relations Activities for 2020

Date	Events
6 January 2020	Non-deal roadshow in Singapore, organized by DBS Vickers Securities (Thailand)
7 January 2020	"DBS Pulse of Asia Conference" in Singapore, organized by DBS Vickers Securities Plc.
14 January 2020	"Finansia Investment Conference 2020" in Bangkok, organized by Finansia Syrus Securities (Thailand)
30 January 2020	CEO Forum with local fund manager and analyst in Bangkok, organized by Central Pattana
26 February 2020	Analyst Briefing FY2019, organized by Central Pattana
26 February 2020	Opportunity Day for full year performance (prior year), organized by The Stock Exchange of Thailand
20 May 2020	Analyst Briefing 1Q20, organized by Central Pattana (Virtual Meeting Format)
21 May 2020	"TISCO Exclusive Talk for Local Investors", organized by Tisco Securities (Virtual Meeting Format)
22 May 2020	Opportunity Day for first quarter performance, organized by The Stock Exchange of Thailand (Virtual Meeting Format)
28 May 2020	"Thai Corporate day", organized by Thanachart Securities in cooperation with Daiwa Capital Markets (Virtual Meeting Format)
5 June 2020	"Thai Corporate day", organized by Bualuang Securities (Virtual Meeting Format)
15 June 2020	"Thailand Insight" by Macquarie Securities (Virtual Meeting Format)
29 June 2020	"Virtual ASEAN BEST Conference" by Morgan Stanley and Bualuang Securities (Virtual Meeting Format)
10 July 2020	Annual General Meeting of Shareholders Year 2020 at Bangkok Convention A1 meeting room, 22 nd fl. at Centara Grand & Bangkok Convention Centre at CentralWorld
21 July 2020	"Invest ASEAN 2020 Corporate Access Exclusives: Thailand Week" by Maybank Kim Eng (Virtual Meeting Format)
19 August 2020	Analyst Briefing 2Q20, organized by Central Pattana (Virtual Meeting Format)
25 August 2020	Opportunity Day for second quarter performance organized by The Stock Exchange of Thailand (Virtual Meeting Format)
28 August 2020	"Thailand Focus 2020", organized by The Stock Exchange of Thailand (Virtual Meeting Format)
8 September 2020	"27 Annual CITIC CLSA Investors' Forum", organized by CLSA Securities (Virtual Meeting Format)
15 September 2020	"Global Real Estate Virtual Conference 2020", organized by BofA Securities (Virtual Meeting Format)
17 September 2020	"JP Morgan Virtual ASEAN E-Commerce Day", organized by JP Morgan Securities (Virtual Meeting Format)
12 November 2020	Analyst Briefing 3Q20, organized by Central Pattana (Virtual Meeting Format)
16 November 2020	Opportunity Day for third quarter performance organized by The Stock Exchange of Thailand (Virtual Meeting Format)
26 November 2020	"SET Digital Roadshow", organized by The Stock Exchange of Thailand (Virtual Meeting Format)

Financial Calendar for 2021

Financial Calendar	Month (Tentative)
Announcement of full year financial results (prior year)	February
Analyst Meeting for full year performance, organized by Central Pattana	February
Analyst Meeting for full year performance (prior year) (Opportunity Day) organized by The Stock Exchange of Thailand	March
The closing date of the shareholders registration book for the rights to attend the AGM	March
The Annual General Meeting of the Shareholders	April
Dividend payment for prior year performance	May
Announcement of first quarter financial results	May
Analyst Meeting for first quarter performance, organized by Central Pattana	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	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	November
Analyst Meeting for third quarter performance (Opportunity Day) organized by The Stock Exchange of Thailand	November

Reference Firms

Registrar of Common Shares

Thailand Securities Depository Co., Ltd.
93 The Stock Exchange of Thailand Building
Ratchadapisek Road, Dindaeng,
Bangkok 10400, Thailand
Telephone: +66 (0) 2009 9999
Facsimile: +66 (0) 2009 9991

Registrar of Unsecured Debentures

Debentures CPN225A, CPN235A, CPN227A, and CPN297A
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 CPN210A

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 CPN221A, CPN228A, CPN218A, CPN258A and CPN242A

Bank of Ayudhya Public Company Limited
1222 Rama 3 Road, Bang Phongphang, Yannawa,
Bangkok 10120, Thailand
Telephone: +66 (0) 2296 3582
Facsimile: +66 (0) 2683 1298

Debenture Holders Representative

Debenture CPN218A and CPN258A

Bank of Ayudhya Public Company Limited
1222 Rama 3 Road, Bang Phongphang, Yannawa,
Bangkok 10120, Thailand
Telephone: +66 (0) 2296 3582
Facsimile: +66 (0) 2683 1298

Authorized Auditor

KPMG Phoomchai Audit Ltd.
Ms. Vannaporn Jongperadechanon
Certified Public Account, Registration No. 4098
50th-51st Floor, Empire Tower 1 South Sathon Road,
Yannawa Sub-District, Sathorn, Bangkok 10120, Thailand
Telephone: +66 (0) 2677 2000
Facsimile: +66 (0) 2677 2222

Credit Rating and Debenture Rating Company

TRIS Rating Co., Ltd.
24th Floor, Silom Complex Building, 191 Silom Road,
Silom Sub-District, Bangrak, Bangkok 10500, Thailand
Telephone: +66 (0) 2098 3000
Facsimile: +66 (0) 2231 3012

Legal Dispute

There was no litigation involving the Company which could have a material adverse impact on the assets of the Company or its subsidiaries amounting higher than 5% of shareholders' equity in consolidated financial statement at December 31, 2020.

Remark: For legal dispute, additional information can be found in the Note to Financial Statement as of December 31, 2020.

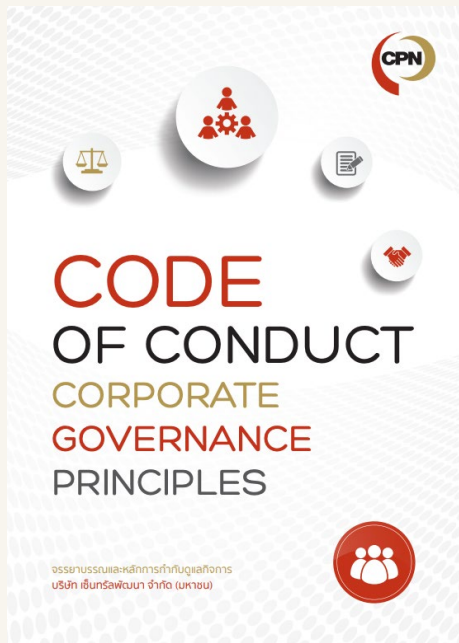
Chapter

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Corporate Governance

Corporate Governance

Upholding good corporate governance, Central Pattana believes that ethical, transparent and auditable business conduct will help the Company attain its goal and enjoy sustainable growth. The Board therefore stipulated corporate governance policies, a code of conduct and guidelines in its “Code of Conduct and Corporate Governance Principles” handbook (“the Handbook”) in written form. Such policies and guidelines are reviewed on a yearly basis and disclosed via the corporate website to provide guidelines for all personnel of the Company and its subsidiaries.



Central Pattana's Handbook complies with corporate governance principles widely recognized, whether in the domestic or the international context, ranging from the CG Code 2017 issued by the Securities and Exchange Commission (“SEC”), the evaluation criteria of Corporate Governance Report for Listed Companies (CGR), the checklist of the Thailand's Private Sector Collective Action Coalition Against Corruption or CAC checklist, corporate governance principles of the Organisation for Economic Co-operation and Development (OECD), ASEAN Corporate Governance Scorecard and DJSI Sustainability Assessment.



The Handbook is available on Central Pattana's website. Directors, executives, and all employees can access and download the Handbook at:

www.centralpattana.co.th/storage/sustainability/corporate-governance/code-of-business-conduct/20190418-cpn-code-conduct-cg-th-02.pdf



Code of Conduct

Central Pattana has defined a vision, mission, corporate values, and code of conduct as guidelines for directors, executives, and employees to perform their duties and attain sustainable business goals. It also carries out a governance process to ensure compliance, with the Board and executives being role models in following the code. Moreover, Central Pattana engages in internal communication regularly to create a strong corporate culture. Further details are in the handbook on pages 6-17.

Corporate Governance Policy

Policy and Practices for the Board of Directors

Covering important matters such as board composition and appointment, qualifications, terms, nomination, board diversity, roles of the Chairman and the CEO, the limit of directorships in other listed companies for directors and the CEO, board responsibilities, sub-committee appointment, board meetings, performance assessment of the board and the CEO, board self-development and training, succession plan, supervising subsidiaries and joint-venture companies as detailed in the Handbook page 41-51.

Policy and Practices for Shareholders and Stakeholders

Covering important matters such as rights of shareholders, equitable treatment of shareholders, role of stakeholders, disclosure and transparency, prevention of insider trading, internal control, internal audit, monitoring of conflicts of interest, anti-corruption, respecting laws and human rights, whistleblowing and complaints, as detailed in the Handbook page 14-15 and 18-40.

Significant Changes and Development of the Corporate Governance Policy, Practices, and System in 2020

In 2020, the Board supervised Central Pattana's operations under corporate governance principles and against the objectives to create sustainable growth. In addition to adding value in the long term, the Board deliberated, supervised, and provided advice on improving internal control and corporate governance processes to align with the Corporate Governance Code for listed companies 2017. It also ensures that Central Pattana's sustainable development is in line with the UN Sustainability Development Goals (SDGs). The Board has taken the key actions as follows:

Policies and Practices

- Approved online conferencing regulations and procedures under crisis management.
- Formulated a privacy policy to protect personal data and comply with the Personal Data Protection Act B.E. 2562 (2019).
- Improved the whistleblowing process to support the enhancement of Central Pattana's online whistleblowing system.

Defining Vision, Mission, and Strategies

- Reviewing the vision, mission, and strategies annually.
- Establishing strategic directions and advising management to put them into practice. The strategies are considered with three key sustainability issues: economy, society, and the environment. To formulate long-term strategies and approaches, Central Pattana analyzes risks and opportunities significant for business conduct and takes different stakeholder groups into account.

Supervising and Monitoring Strategic Implementation

- Considering on a quarterly basis actual performance against the plan, including data of economic conditions, market conditions and competition, customer profiles, and related business partners, reported by the CEO.
- Reviewing strategic plans every six months. The CEO reports the performance against targets to the Board.

Corporate Governance, Internal Control, and Risk Management Systems

- Considering sustainability issues and risks that may affect the Company's work plans.
- Improving the whistleblowing system as well as complaints management procedure
- Considering the processes of internal control, risk management, internal audit, IT audit, and IT governance.
- Acknowledging directors' and executives' securities holdings quarterly.
- Acknowledged the results of CG Individual Assessment 2019.

Human Resources Management

- Enhanced the information management system supporting Central Pattana's human resource management to increase efficiency in employee information management.
- Acknowledged the human right impact assessment and human right action plan 2020-2022.

Anti-corruption

- Acknowledged the recertification of Thailand's Private Sector Collective Action against Corruption (CAC Recertification)
- Acknowledged the implementation of the STRONG – Anti-Corruption Education Project by the National Anti-Corruption Commission Office (NACC).
- Acknowledged the annual training course “Ethics in Workplace” to educate personnel on code of business conduct and anti-corruption.
- Acknowledged the implementation of the No-Gift Policy.

Management of the COVID-19 Outbreak Crisis

- Considered COVID-19 impacts on Central Pattana's business and measures to implement the business continuity plan. Reviewed the Company's business plans, offered relief measures to customers and monitored retail business performance after resuming the service under the government's relaxing measures.
- Considered employee actions during the COVID-19 outbreak. See Chapter 19 Sustainable Development.

For practices that have not been implemented or applied, Central Pattana considered them in Board meetings or related Committee meetings. Details were recorded in the resolution.

Central Pattana is classified in the ASEAN Asset Class Publicly Listed Companies 2019, with score 97.50 points and above.

Central Pattana receives “Excellent” CG score for 12 consecutive years.

Compliance with Corporate Governance Principles of the Corporate Governance Report (CGR) and the ASEAN Corporate Governance Scorecard

Principle 1: Rights of Shareholders

Central Pattana takes the following measures to protect the rights of every shareholder as detailed in the Handbook page 33-35. Significant matters are as follows:

- Ensuring that shareholders will receive full returns from their investments by maintaining a straightforward structure of alliance among Central Pattana, its affiliates, and joint ventures.
- Ensuring equitable treatment and enhancing the rights of all shareholders, namely major shareholders, individual shareholders, institutional investors, Thai investors, and foreign investors, including rights to purchase and transfer shares, rights to receive accurate and clear information, rights to attend and vote to approve the Company's significant transactions, rights to appoint or remove board members, rights to consider board remuneration, rights to appoint or remove external auditor and determine audit fee, rights to the share of the Company's profits, rights to join decision-making and receive the results of the company's decisions on the company's fundamental changes.
- Disclosing information about exercising rights via the portal system of the Stock Exchange of Thailand (“SET”) and the Company's website, taking into consideration of equitable access to information, duration and convenience in exercising rights without any acts that would limit the rights to access the Company's public information or prevent the communication among shareholders.

The 2020 Annual General Meeting of Shareholders

The shareholders are entitled to set the business direction or decide on significant matters. The shareholders' meeting is therefore an essential platform for them to express opinions, contact the Company, ask questions, and cast votes.

Central Pattana recognizes the importance of giving identical rights and affording equal treatment to all shareholders, including but not limited to major shareholders, individual shareholders, institutional investors or foreign investors. Relevant guidelines have been adopted for actual actions (before, during and after meetings) for all shareholders' meetings. The 2020 AGM was held on July 10, 2020. Out of 11 members of the Board, 11 directors attended the meeting, equal to 100% of the Board. The Chairman of the Board, Lead Independent Director, Chairman of the Audit and Corporate Governance Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Risk Policy Committee, CEO, Chief Financial Officer, Company Secretary, and the external auditor attended the meeting. For further information about AGM proceedings such as date, time, venue, and other details, please visit the Company's website on "Shareholders' Meeting" under "Invitation to Shareholders' Meeting". Information on "Shareholders' Meeting": <https://www.centralpattana.co.th/en/investor-relations/shareholder-information/shareholders-meeting/invitation-to-shareholders-meeting>.

Summary of 2020 AGM proceedings are as follows:

Before the Meeting

- Providing individual shareholders with rights to propose in advance additional agenda items and nominate directors from September 27, 2019 to January 15, 2020. 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 the Company's website on "Shareholders' Meeting" under "Proposal of Meeting Agenda" www.centralpattana.co.th/en/investor-relations/shareholder-information/shareholders-meeting/proposal-of-meeting-agenda

However, in 2020, no shareholder proposed any agenda item or nominate any candidate for consideration.

- Providing meeting invitation both in Thai and English. For the 2020 AGM, the meeting notice was posted on the Company's website on February 20, 2020. Due to the COVID-19 pandemic, the Company notified the shareholders about the postponement of the 2020 AGM on March 25, 2020 and posted the invitation of the 2020 AGM after the situation became less intense on May 15, 2020, 30 days prior to the meeting date, and was distributed to shareholders no less than 21 days in advance. This provided shareholders with enough time to examine the information.
- In the meeting invitation, the Company enclosed essential, adequate facts and rationales, as well as the Board's opinions on all items on the agenda for shareholders' consideration. Please visit the Company's website on "Shareholders' Meeting" under "Invitation to Shareholders' Meeting" www.centralpattana.co.th/en/investor-relations/shareholder-information/shareholders-meeting/proposal-of-meeting-agenda
- No significant, extraordinary document distributed at the meeting, no added item, and no amendment made to material information without informing the shareholders in advance.
- Facilitating shareholders who could not attend the meeting themselves by enclosing in the meeting notice Proxy Form B, on which they could 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 four independent directors are provided for shareholders' voting by proxy. At the 2020 AGM, 1,600 shareholders appointed independent directors as their proxies.
- Convenient meeting venue with public transportation such as bus and sky train, together with map and telephone numbers were clearly provided.

During the Meeting

- The Company provided at least a two-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.
- The Company 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 the Company about the vote-tallying procedures before the shareholders' meeting.
- The Company introduced the use of ballots for casting votes. The ballots were prepared separately for each agenda item for shareholders' voting convenience.
- The Company 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.
- The Company transparently conducted the AGM by following respective agenda items as stated in the meeting notice, in strict conformance to the law and the Company's regulations. Independent party was invited to witness the vote counting.
- Shareholders were allowed to attend a meeting in progress and vote on remaining items.
- The Company allowed shareholders to freely express their views and raise their questions at the meeting. The Chairman of the Board, Chairman of all sub-committees, CEO, senior executives, Company Secretary and external auditor attended the meeting to clearly answer all aspects of shareholders' questions.

After the Meeting

- The Company submitted the resolutions of every shareholders' meeting to the SET through the SET Link on the same day so that non-attending shareholders might be immediately informed.
- Shareholders could also view a webcast of the AGM via the Company's website
- 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 Central Pattana's 2020 Annual General Meeting of Shareholders were provided on SET's website and disseminated via the Company's website on July 10, 2020, 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 improving the efficiency of future shareholders' meetings.

The Company complied with the AGM Checklist, jointly conducted by the Thai Investors Association, the 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.

**Central Pattana's 2020
AGM was ranked
“Outstanding”
with a perfect score of 100**

Principle 2: Equitable Treatment of Shareholders

Central Pattana observes the principle of affording equitable treatment to all shareholders without discrimination, whether major or individual ones, institutional or foreign investors. The Company has stipulated policy and practices on monitoring and prevention of insider trading, monitoring and managing conflict of interest, disclosure of connected transactions, for instance, as detailed in the Handbook page 19 and 36-37.

In 2020, the Company has conducted connected transactions fairly and at arm's length. Please see further information in Chapter 28 Connected Transactions. In addition, the Company does not have policy on providing financial aid or loan guarantee to any external parties. The Company did not receive any complaint about misuse of inside information nor conflicts of interest committed by any director or executive. For further information, please see the Financial Report 2020 (56-1 One Report).

Principle 3: Role of Stakeholders

The Company values all stakeholders and observes sustainability of common benefits. It has clearly set policies and roles toward stakeholders in the Handbook page 23-31 and 38-39. Significant matters can be summarized as below:

Policy and Practices towards Stakeholders Shareholders

- Stimulating growth with quality and stability for the shareholders' sustainable benefit with good and efficient performance and respecting the shareholders' equal rights to receive necessary information. The policy is detailed in the Handbook page 33-38.
- Conducting business based on honesty, transparency, and fairness. Relevant details appear in Chapter 23 Corporate Governance under "Principle 1: Rights of Shareholders", "Principle 2: Equitable Treatment of Shareholders" and "Principle 4: Disclosure and Transparency".

Employee

- 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, without discrimination, emphasizing equity and respect in human rights for employees at all levels as detailed in the Handbook page, 26, 28, 31 and 38.

- In 2020, the Company has taken care and enhanced employees in several ways. Please see Chapter 19 Sustainable Development under "Employee Management and Engagement" and the Company's website "Stakeholder Engagement" <https://www.centralpattana.co.th/en/sustainability/sustainability-strategy/framework/stakeholders-engagement>.
- Summary of performance outcome and related indices are available on the Company's website "Sustainability Performance Pack" <https://www.centralpattana.co.th/en/sustainability/sustainability-reporting-library>.

Tenants and Customers

- Setting customer care, which is one of Central Pattana's corporate values, as a priority and stipulating a written policy on customer treatment as detailed in the handbook on pages 27, 31, and 38.
- Implementing Central Pattana's corporate values and policies to establish a corporate culture. In 2020, the Company carried out various tasks to build strong relationships with tenants and customers. For further details, please see Chapter 19 Sustainable Development under "Store Management and Development" and Central Pattana website under "Stakeholder Engagement": <https://www.centralpattana.co.th/en/sustainability/sustainability-strategy/framework/stakeholders-engagement>
- Listening to customers and treating them fairly and properly. Forging customers' satisfaction with high-quality services that are safe for health, life, and property.
- Providing complete, correct, and actual information. Recognizing the importance of developing public relations materials by avoiding images or contents that may cause negative attitudes, social division, or improper values.
- Join the Thai Retailers Association (www.thairetailer.com) to represent retailers in advocating macro-level policies that would benefit the overall retail business. Central Pattana paid Baht 30,000 in membership fee per year.
- Summarizing performance and related indices. See more details on the Central Pattana website under "Sustainability Performance Summary" <https://www.centralpattana.co.th/en/sustainability/sustainability-reporting-library>.

Business Partners

- Emphasizing fair and equitable treatment of business partners and joint benefit. Central Pattana stipulated a written policy on business partner treatment as detailed in the handbook on pages 27 and 38. It also complied with the procurement regulations, which have clearly defined procedures and practices to develop and maintain long-term relationships and facilitate mutual trust.
- Treating business partners transparently. Central Pattana clearly defined business partner selection procedures under its procurement rules on project development and construction management, including procurement through business partner selection by price inquiry or price auction, or through E-Auction under the Company's rules on pool procurement. Procurement is, in any case, conducted transparently in line with the Company's policies, such as sustainable development, corporate governance, and anti-corruption. Each interested party is required to undergo the Company's screening process of pre-qualification assessment before becoming a business partner. This step will make sure that Central Pattana works with business partners that comply with good governance principles. See further details in Chapter 19 Sustainable Development under "Value Chain Management" and at Central Pattana website under "Stakeholder Engagement": <https://www.centralpattana.co.th/en/sustainability/sustainability-strategy/framework/stakeholders-engagement>.

Society, Communities and the Environment

- Developing business along with social, community and environmental development. Central Pattana defined a written policy on society, community, and the environment as detailed in the handbook on pages 29-31 and 38.
- Respecting relevant laws and/or regulations and try to surpass standards, such as inventing or applying the innovation of energy-efficient buildings in the Company'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. Besides, 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. For further detail, please see Chapter 19 Sustainable Development under "Corporate Responsibility and Community Development", "Environmental Resource Management" and at Central Pattana website under "Stakeholder Engagement": <https://www.centralpattana.co.th/en/sustainability/sustainability-strategy/framework/stakeholders-engagement>

- For performance summary and related indices, please see "Sustainability Performance Pack" at <https://www.centralpattana.co.th/en/sustainability/sustainability-reporting-library>.

Creditors

- Recognizing the importance of fair creditor treatment, Central Pattana formulated a written policy on creditor treatment as detailed in the handbook on pages 28 and 38.
- In 2020 strictly respecting agreements with creditors; managing loans according to lending objectives; avoiding using the loans to cause damage to the Company; ensuring timely repayment of loans and interests; thoroughly honoring loan conditions as agreed; and competently operating the business to assure creditors about the Company's healthy financial standing and loan repayment capabilities and Maintaining the Company'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, the Company has never defaulted on either debt or interest payment or caused any concern among creditors on its debt repayment ability. Moreover, the Company provides loans only to subsidiaries under its shareholding structure, with no financial assistance offered to any unrelated company. For further detail, please see in the Financial Report 2020 (56-1 One Report) under "Notes to the Financial Statement" and at Central Pattana website under "Stakeholder Engagement": <https://www.centralpattana.co.th/en/sustainability/sustainability-strategy/framework/stakeholders-engagement>
- For performance summary and related indices, please see "Sustainability Performance Pack" at <https://www.centralpattana.co.th/en/sustainability/sustainability-reporting-library>.

Business Competitors

- Recognizing the importance of fair competitor treatment, Central Pattana formulated a written policy on competitor treatment as detailed in the handbook on pages 29 and 38.
- 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. For further detail, please see "Stakeholder Engagement" at: <https://www.centralpattana.co.th/en/sustainability/sustainability-strategy/framework/stakeholders-engagement>.
- Joining the Thai Shopping Center Association since 1998 and making an annual membership payment of Baht 50,000. Below are the actions taken by the Association:
 - Due to the COVID-19 situation, the Thai Shopping Center Association together with the Thai Retailers Association pushed for preventive and relief measures for retailers and wholesalers, as well as shops in shopping centers, department stores, and supermarkets
 - (1) Sent the Prime Minister a letter requesting the government to offer a relief measure to Covid-19-affected business owners and stakeholders of Thai shopping centers and retail businesses. Furthermore, it proposed safety and sanitization measures to prevent COVID-19 and show that shopping centers, department stores, and retail stores were ready to re-open.
 - (2) Discussed with relevant government agencies, such as an ad hoc committee to consider relaxing the enforcement of COVID-19 preventive measures. The government implemented preventive measures proposed by the Association at regional level and in provincial municipalities. Moreover, Central Pattana discussed with the Office of the National Economic and Social Development Council (NESDC) and the Fiscal Policy Office, Ministry of Finance, four "emergency relief measures for the retail business". Some of them were included in the program presenting the vision to drive the economy to the Prime Minister.

- (3) Shared the vision to drive the economy with the Prime Minister. The plan was divided into ten short-term, medium-term, and long-term programs. The programs to be implemented by the government included a consumer spending stimulus measure called "Shop Dee Me Kuen" (Income Tax Deduction after Shopping). Furthermore, Central Pattana and the government jointly supported small entrepreneurs with small areas to sell their products in shopping centers nationwide.
- The government replaced the land and property tax with land and building tax, effective from 2020, to ease burdens in the long term. Tax calculation based on the location and area size might not suit some business types that yield different income levels despite being in the same location. As a result, the Association introduced new criteria for calculating land and building tax collected from shops/tenants to ensure that all members applied the same criteria.

Government

- Valuing legal compliance and cooperating with the government in different aspects to take part in driving national economic growth according to Central Pattana's policy in the handbook on pages 26, 30, and 39.
- Through all the past years and in 2020, 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, according to the Handbook page 23.
- In 2020, Central Pattana abided by the COVID-19 management measures to improve hygiene in shopping centers and retail shops. For further detail, please see Chapter 23 Corporate Governance under "Business Competitors" and Central Pattana website under "Stakeholder Engagement" at: <https://www.centralpattana.co.th/en/sustainability/sustainability-strategy/framework/stakeholders-engagement>.

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.
- For further detail regarding the implementation in 2020, please visit Central Pattana website under “Stakeholder Engagement” at: <https://www.centralpattana.co.th/en/sustainability/sustainability-strategy/framework/stakeholders-engagement>.

Policy and Guidelines on Safety, Occupational Health and the Environment

In ensuring the safety and sound occupational health of its employees and stakeholders, the Company has defined a policy and guidelines in the Handbook page 31, requiring the planning and setting up within its offices and facilities of efficient, adequate security and warning systems. The purposes are to prevent and control risks of damage from accidents, injuries, work-related illnesses, damage or loss of properties, incorrect practices and other mistakes. Please see more detail in Chapter 19 Sustainable Development under “Employee Management and Engagement” and the Company’s website “Sustainability Performance Pack” at: <https://www.centralpattana.co.th/en/sustainability/sustainability-reporting-library>

Policy and Practices on Intellectual Properties

The Company 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 the Company’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

The Company highlights the importance of respecting laws and human rights as stipulated in the Handbook page 21.

Respecting Laws

A key basis of the Company’s business conduct is legal compliance, which includes domestic and foreign laws, as well as relevant customs, traditions, and cultures. The Company 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, the Company fully complies with city planning laws to avoid causing any economic, social, and environmental impacts in the area in which the Company has entered to develop. The Company also strictly observes the laws of every targeted country to ensure that its overseas investments are properly and transparently executed.

Compliance with the Personal Data Protection Act

In 2020, the Board oversaw and ensured compliance with the newly enforced law. Central Pattana established a privacy policy in line with the enforcement of the Personal Data Protection Act B.E. 2562 (2019). See further details on the Central Pattana website under “Privacy Policy” <https://www.centralpattana.co.th/en/sustainability/corporate-governance/privacy-policy>.

The policy was implemented and communicated to protect stakeholders’ personal information. See further details in Chapter 18 Risk Management under “Complying with Personal Data Protection Act (PDPA) (Emerging risk)”.

Respecting Human Rights

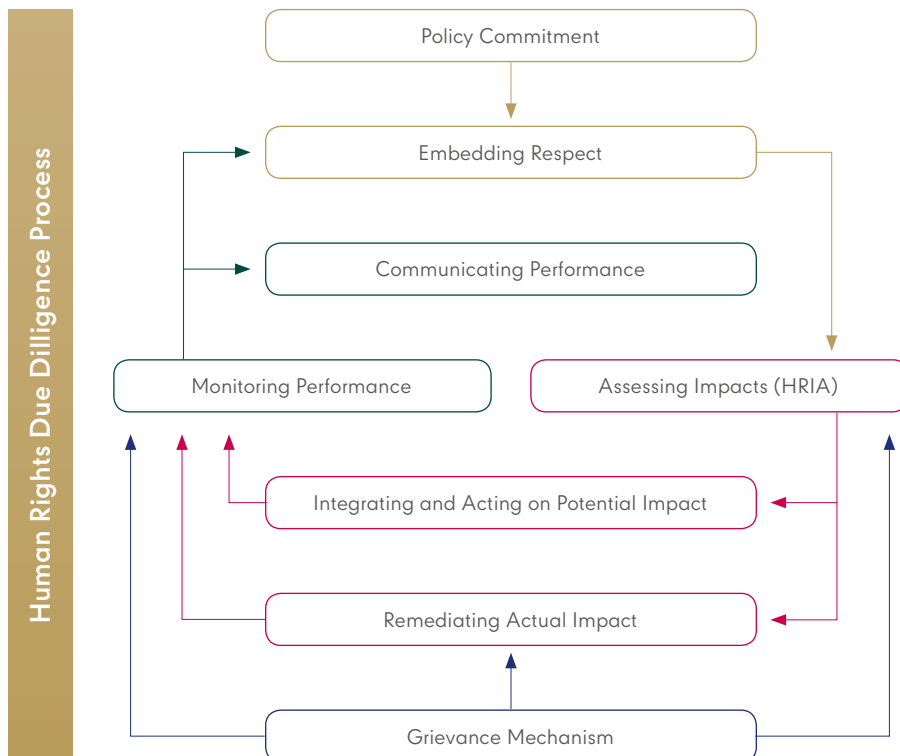
The Company promotes and respects the protection of human rights of employees and stakeholders, ensuring that its business conducts have no connection with any human rights violation such as forced labor or child labor. All stakeholders

are treated fairly on human dignity and non-discrimination of national origin, race, gender, age, skin color, religion, physical condition, status, or birth. It also promotes the monitoring of human rights compliance within the Company and encourages subsidiary companies, joint ventures, business partners, and all stakeholders to comply with the international standards of the principles of human rights. Stakeholders whose rights are affected by the Company's operation are protected by offering compensation at a rate comparable to what is stated by the law.

In 2020, Central Pattana conducted Human Right Due Diligence (HRDD) and Human Right Impact Assessment (HRIA) among employees. It requested functions in charge of human rights and those at risk of human rights violation to fill the questionnaire or join a focused group. The findings were then used for risk assessment. Implementation was based on the United Nations Guiding Principles on Business and Human Rights and three types of impacts as follows: 1) Direct: company knowingly involved or assisted in human rights violations, 2) Beneficiary: company benefits directly

from human rights abuses committed by someone else, and 3) Silent: failure of the company to question systemic or continuous human rights violations. Together with this information, experts, such as the Danish Institute for Human Rights (DIHR) and Community Insights Group applied the HRIA Toolkit to assess human rights risk in three aspects: 1) Vulnerability to impacts on life and health, 2) Scope of impact on stakeholders, and 3) Irremediability.

After human rights assessment, Central Pattana found ten issues, all of which were at a low to medium level. The Company then analyzed them and ranked urgent cases that could be implemented immediately to improve operating efficiency. For the issues that required further study to find proper solutions, Central Pattana set out a Human Rights Roadmap 2020-2022, defining clear results and plans. It would report to the Corporate Governance and Sustainable Development Committee under the specified agenda. See further details in Chapter 19 Sustainable Development under "Employee Management and Engagement".



Principle 4: Disclosure and Transparency

Central Pattana 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's information disclosure system and the Company's website, enabling all people to equitably access information. For information that cannot yet be disclosed, the Company has in place measures to prevent unauthorized access to such inside information.

Investor Relations

Investor Relations (IR) represents Central Pattana's center for disclosing financial and non-financial information, promoting and managing good relations with shareholders, investors, securities analysts, the public and stakeholders in Thailand and abroad on an equal, inclusive and timely basis, in line with SET's requirements and the Code of Conduct for IR. The division has also prepared questionnaire forms for its annual conduct of satisfaction surveys on the division's operation as perceived by institutional shareholders, individual shareholders, investors and securities analysts. The findings are analyzed for the optimization of policies, operation and activities in line with international standards.

IR reports directly to the CFO and works closely with senior executives to formulate policies as well as quarterly and annual plans. The division also presents performance results and comments from shareholders, investors and analysts to the Board twice a year.

The Company 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 via SET, the SEC, newspapers, press releases and the Company's website under "Investor Relations" (www.centralpattana.co.th/en/investor-relations/ir-home) and is regularly updated.

Information disclosed on the website includes Form 56-1 One Report, financial report, 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, IR events and calendar, press releases and presentations used during both domestic and international roadshows. In 2020, users viewed the website for 82,682 times. At the end of 2020, there were 4,222 registered people interested in receiving electronic news from Investor Relations.

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 and annual performance report to analysts and investors to avoid unfair release of information which may affect Central Pattana's share price.

IR Activities

Recognizing the value of forging good relations with investors, the Company's senior executives regularly make time to join investor meetings and activities to elaborate the Company's policies and business directions. These activities include the Analyst & Fund Manager Meetings, investor conferences, quarterly performance announcement events, domestic and overseas roadshows to meet investors. Furthermore, document and recordings of executives' presentations are disseminated through the Investor Relations website, enabling investors to view all past data.

The COVID-19 outbreak has caused a change in investor relations activities. Central Pattana used online communication platforms, such as Zoom, Webex, and Microsoft Teams, instead of meeting investors in person. Despite the lower number of visits, the platforms could access more diverse groups of investors.

In 2020 Central Pattana's diverse formats of investor relations activities consistently organized for senior executives and IR Division to meet with and provide information to interested persons were as follows:

Meeting Format	Number of Meetings	Number of Investors
1. One-on-One Meetings	3	15
2. Conference Call	57	596
3. Analyst & Fund Manager Meeting <ul style="list-style-type: none"> - By the CEO (CEO Forum): once - By senior executives: five times - By IR Division: twice 	8	467
4. Opportunity Day/SET Digital Roadshow as mode of communication with investors, analysts and the press organized by the SET Opportunity Day: four times and SET Digital Roadshow: once	5	N/A
5. Investor Conference	4	98
6. Non-deal Roadshow	2	14
7. Site Visit	1	2
Total	80	1,192

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, Central World Offices

999/9 Rama I Road, Patumwan Sub-District

Patumwan District, Bangkok 10330, Thailand

Tel: +66 (0) 2667-5555 ext. 1614, 1632 and 1688

Fax: +66 (0) 2264 5593

E-mail: ir@centralpattana.co.th

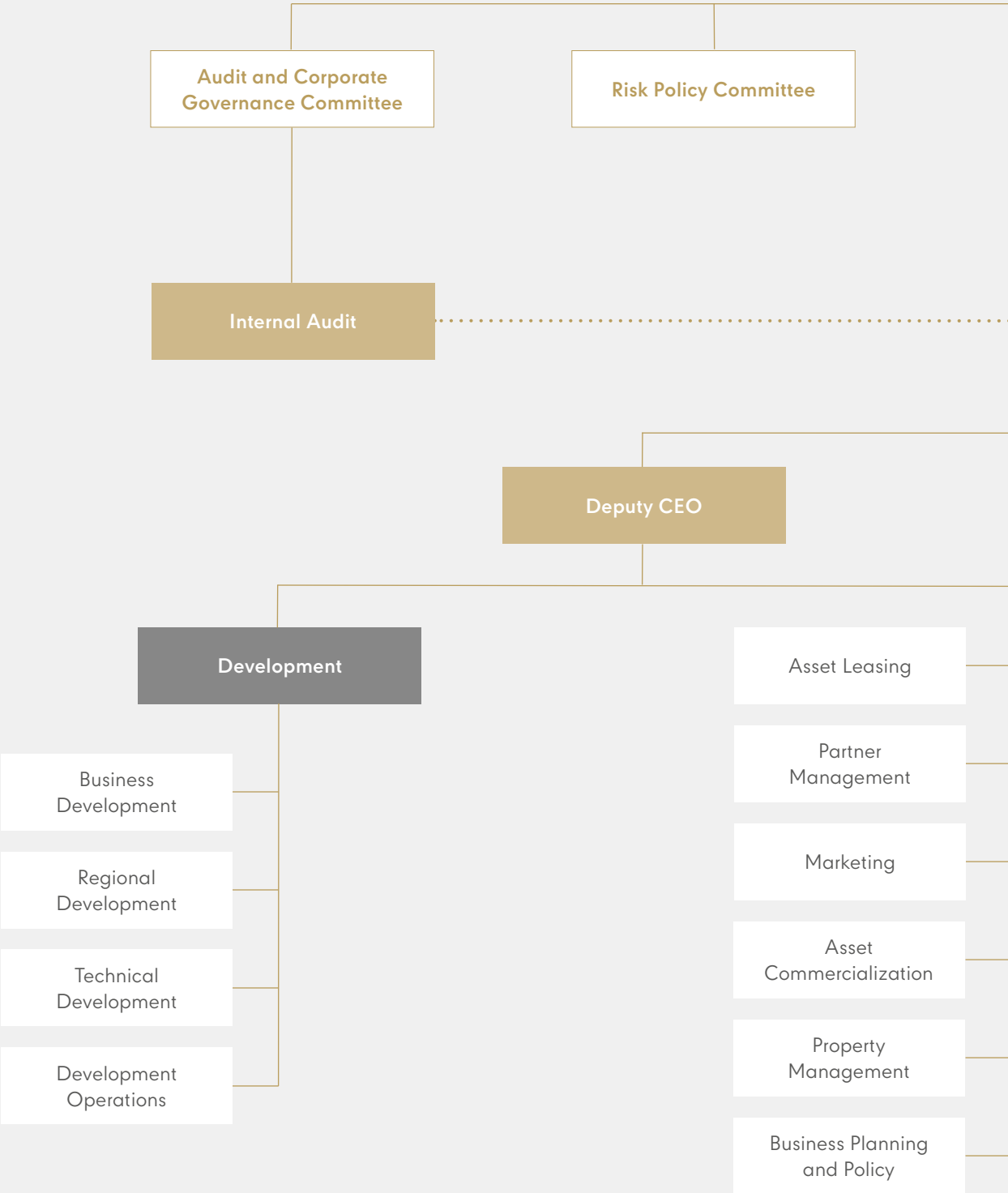


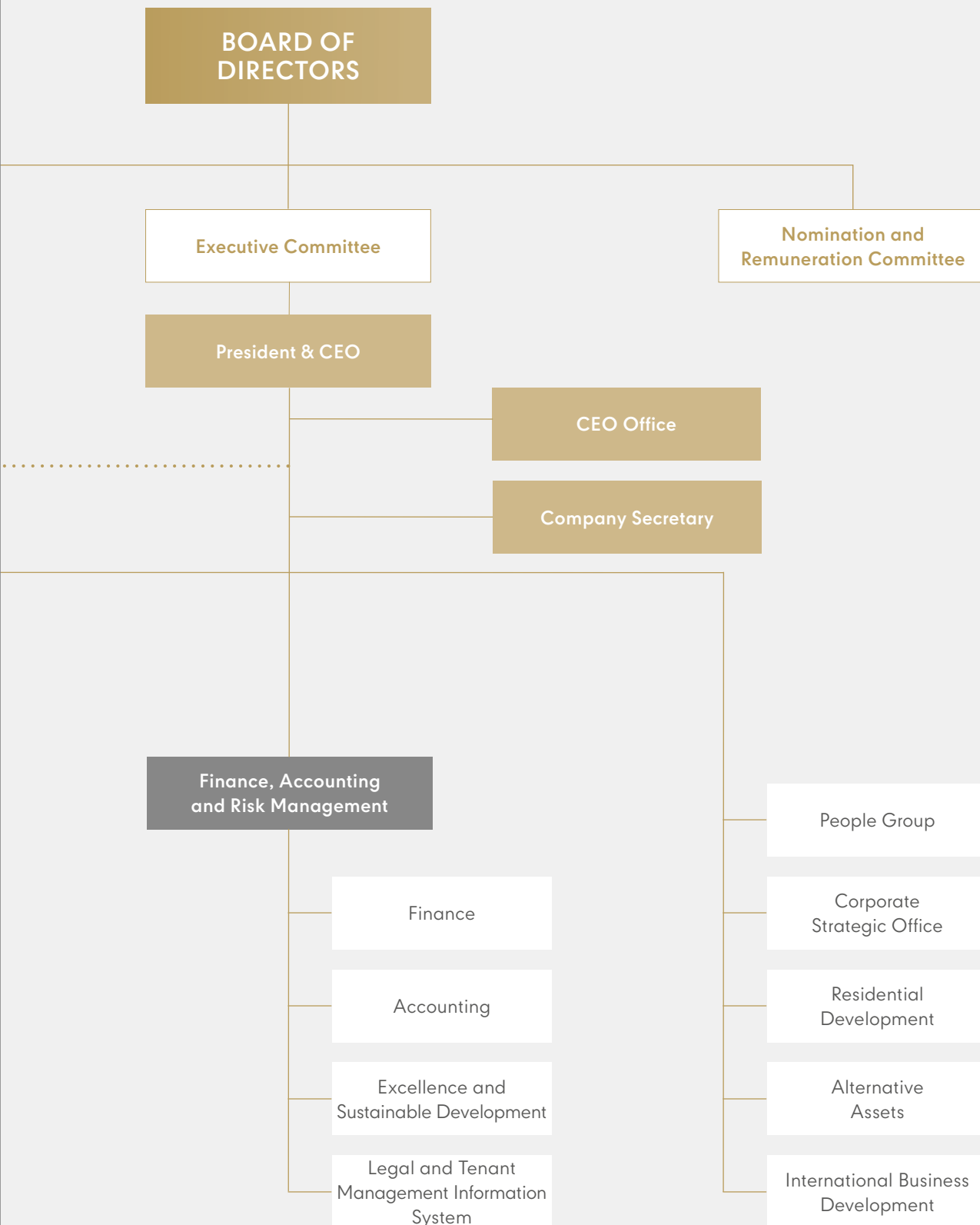
Principle 5: Board Responsibilities

Policy and Charters in relations to the Board are deemed appropriate. Please see more detail in Chapter 25 Corporate Governance Structure and Chapter 26 Report on Key CG Performance.



Organization Chart





Corporate Governance Structure

Board of Directors

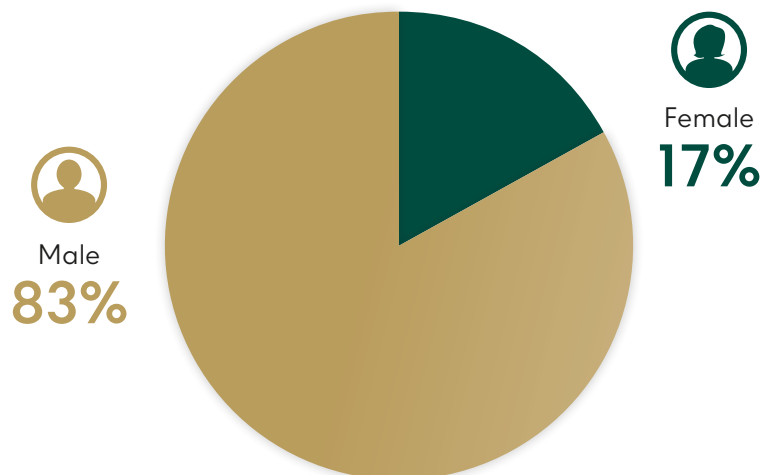
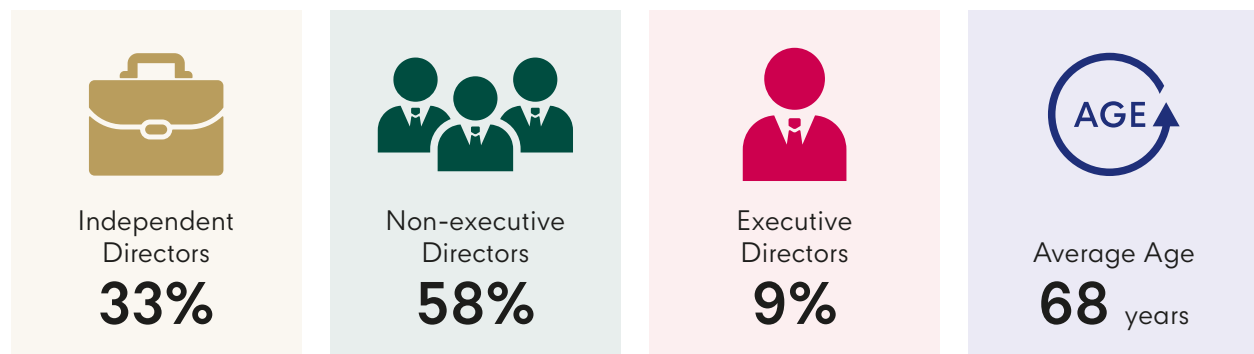
Composition and Qualifications of the Board

Central Pattana has defined the Board's composition and qualifications.



See further details in "Section 5: Board Responsibilities" on the Central Pattana website: <https://www.centralpattana.co.th/en/sustainability/corporate-governance/corporate-governance-policy>.

The Board comprises fully qualified directors as specified. In 2020, the directors represented diverse skills, expertise, knowledge, experience, sex, and age, which benefited the business. The Board also had an appropriate proportion of independent directors as stipulated by law consisting of 12 directors, a sufficient number to supervise the Company's operations. The Board structure as on December 31, 2020 is as follows:



Name and Position of the Members of the Board of Directors

Honorary Chairman			
1.	Dr. Supachai	Panitchpakdi	
Board of Directors			
1.	Mr. Suthichai	Chirathivat ¹	Chairman
2.	Mr. Karun	Kittisataporn	Lead Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit and Corporate Governance Committee
3.	Mr. Paitoon	Taveebhol	Independent Director / Chairman of the Audit and Corporate Governance Committee / Chairman of the Risk Policy Committee
4.	Mrs. Jotika	Savanananda	Independent Director / Member of the Audit and Corporate Governance Committee / Member of the Nomination and Remuneration Committee
5.	Mr. Veravat	Chutichetpong	Independent Director / Member of the Audit and Corporate Governance Committee
6.	Mr. Suthikiati	Chirathivat ¹	Director
7.	Mr. Sudhisak	Chirathivat ¹	Director / Advisory of the Nomination and Remuneration Committee
8.	Mr. Sudhitham	Chirathivat ¹	Director / Member of the Nomination and Remuneration Committee
9.	Mrs. Nidsinee	Chirathivat ^{1 and 2}	Director
10.	Mr. Kobchai	Chirathivat ¹	Director / Member of the Risk Policy Committee
11.	Mr. Prin	Chirathivat ¹	Director / Member of the Risk Policy Committee / Advisory of the Nomination and Remuneration Committee
12.	Mr. Preecha	Ekkunagul	Director / Member of the Risk Policy Committee / President&CEO

Remarks: ¹ Representatives of the shareholders

² Taking the position on July 10, 2020

Directors with Company Signatory Rights

Directors with company signatory rights are Mr. Sudhitham Chirathivat, Mr. Kobchai Chirathivat, Mr. Prin Chirathivat, and Mr. Preecha Ekkunagul. The joint signatures of any two of these four directors with the Company seal are required for validity. They can authorize management or the assigned person to carry out tasks on their behalf as appropriate and in accordance with the applicable legal framework.

The Board is responsible for commenting on the defined vision, mission, long-term business goals, and strategic plans to ensure the Company's sustainability. It is also authorized to approve significant transactions, such as work plans and annual budgets, major investment, establishment and review of the Board's structure, appointment of Sub-Committees, and formulation of top-management succession plan.

Duties and Responsibilities of the Board

The Board actively fulfills its leadership role in ensuring Central Pattana's good governance. Besides performing the duties in accordance with applicable laws and the Company's objectives and articles of association, directors are responsible for resolutions of the Board's and shareholders' meetings, with duty of loyalty, duty of care, accountability, ethics and equitable shareholder treatment.



Please see further details at Central Pattana website under "Charter of the Board of Directors"
<https://www.centralpattana.co.th/en/sustainability/corporate-governance/charters>.

Roles of the Chairman, Lead Independent and CEO

The Chairman of the Board and the CEO are different persons, in order to have complete separation of responsibilities as well as a balance of power in operations.

In spite of being representatives of the shareholders and not independent directors, based on the deliberation of the Nomination and Remuneration Committee and the Board,

the current structure is appropriate for the Company's business and, in fact, is a forte supporting the Company'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, taking into consideration the benefits of all stakeholders. Furthermore, the Lead Independent Director has been appointed to provide check and balance to ensure all Central Pattana's transparent and fair business conduct.

Roles of the Chairman

As a director bound by the Charter of the Board, the Chairman is committed to the Code of Conduct and CG Principles 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.



For further details, please visit the Company's website under "Charter of the Board of Directors"
<https://www.centralpattana.co.th/en/sustainability/corporate-governance/charters>

Roles of the Lead Independent Director

Support of the Board's governance of CPN, subsidiaries, and associates so that they may align with good corporate governance, with due coordination as well as checks and balances between the Board and management. The ultimate objective is to ensure all Central Pattana's stakeholders of transparent and fair business conduct.



For further details, please visit the Company's website under "Charter of Lead Independent Directors"
<https://www.centralpattana.co.th/en/sustainability/corporate-governance/charters>

Roles of the CEO

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



For further details, please visit the Company's website under "Principle 5: Board Responsibilities".
<https://www.centralpattana.co.th/en/sustainability/corporate-governance/corporate-governance-policy>

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. The Company has defined much stricter qualifications for independent directors than those required by the Securities and Exchange Commission ("SEC"). For further details, please visit the Company's website under "Charter of the Board of Directors".

Directorship in Other Listed Companies

The Charter of the Board of Directors has stipulated that directors may hold directorships in other companies if such directorship does not obstruct their duty as Central Pattana's directors. It is stipulated that directors may hold directorships in no more than five listed companies.

The CEO may hold directorships in other companies if such directorship does not obstruct his duty 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 endorsement from the Board. For further details, please visit the Company's website under "Principle 5: Board Responsibilities".

Terms of Directorship of the Directors

The Company has defined that at every annual general meeting, one-third of the directors must resign from office. The directorship could be considered terminated due to other reasons. For further details, please visit the Company's website under "Principle 5: Board Responsibilities".

Terms of Directorship of the Independent Directors

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, to maintain the independence of opinions and performance of duties as the Company's independent director. The Board could extend independent directors' terms as seen fit. For further information, please visit our website under "Principle 5: Board Responsibilities".

Even though the Board comprises two independent directors serving for more than nine years, namely Mr. Karun Kittisataporn and Mr. Paitoon Taveebhol, the Company has the necessity to nominate both independent directors due to their knowledge, competency and experience as required by the Company, their vision being in line with the Company's strategy, their integrity. Additionally, Mr. Paitoon Taveebhol graduated in Accounting and has expertise in reviewing the reliability of financial statements. Furthermore, both independent directors are able to independently raise his opinions and in compliance with the relevant rules and regulations.

Board Diversity

The Company has defined the board diversity, regardless of gender, nationality, race, religious belief, age, professional skills, or other qualifications, to ensure that the Board comprises experts with diverse background on competency, skills, and experience that are helpful to business conduct. For further details, please visit the Company's website under "Principle 5: Board Responsibilities".

Board Skill Matrix

Composition, Skill and Expertise ¹		Accounting, Finance, Economics or Business Administration	Real Estate Development and Management: Department Stores and Retail	Real Estate Development and Management: Residences	Real Estate Development and Management: Other Businesses such as Office Buildings and Hotels, etc.	Risk Management	Tax and Legal	Reviewing Financial Statements	Human Resources Management	Architecture and Engineering	International Business	Marketing / Communications / Digital Marketing	Information Technology / IT Disruption / IT Governance
Optimal Numbers of Directors for the Board ²		5	5	4	4	3	2	2	2	2	2	2	2
Mr. Suthichai	Chirathivat	●	●	●				●	●			●	
Mr. Karun	Kittisataporn	●							●		●		
Mr. Paitoon	Taveebhol	●	●	●	●	●		●					
Mrs. Jotika	Savanananda	●				●							
Mr. Veravat	Chutichetpong	●				●		●		●			
Mr. Suthikiati	Chirathivat		●	●	●				●				
Mr. Sudhisak	Chirathivat	●	●	●	●	●			●			●	
Mr. Sudhitham	Chirathivat	●	●	●	●	●				●	●	●	
Mrs. Nidsinee	Chirathivat		●	●									
Mr. Kobchai	Chirathivat	●	●	●	●	●	●		●	●	●	●	
Mr. Prin	Chirathivat	●	●		●	●	●	●			●		
Mr. Preecha	Ekkunagul	●	●	●	●	●			●	●			

Remarks: ¹ Each skill is related to individual directors' educational background, work experience, and specialty evaluation. However, only the "high" level of expertise will appear in the table displaying a list of directors.

² The Board members are nominated based on their suitability with Central Pattana's business strategy and direction.

Sub-committees

In conformance to corporate governance principles, the Board has appointed 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 structure of sub-committees:

Audit and Corporate Governance Committee

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

- Four independent directors, which are qualified persons in accordance with the SET's and the Company's definition of independent directors
- The Chairman is an independent director.

Name and Position of the Members of the Audit and Corporate Governance Committee

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

Remarks: ¹ Graduated in Accounting and gaining experience as auditor since 1975 and as Audit Committee member since 2002

² Gaining experience as Audit Committee member since 2008

³ Gaining experience as Audit Committee member since 2014

⁴ Gaining experience as Audit Committee member since 2012

Every member in the Committee has adequate knowledge and experience in reviewing to ensure accuracy and credibility of financial statements.



For further details, please visit the Company's website under "Board of Directors" <https://www.centralpattana.co.th/en/about-us/management-structure/board-of-directors>.

Duties and Responsibilities of the Audit and Corporate Governance Committee

To review the financial report, connected transactions, transactions that may cause conflict of interest, internal control system, transactions that may cause financial fraud, internal audit, external audit, compliance with law and relevant regulation, the Committee's Report, corporate governance, sustainability development as well as to report transactions or acts which may significantly affect the Company's financial status and performance to the Board in a timely manner. For further details, please visit the Company's website under "Charter of the Audit and Corporate Governance Committee".

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.

Name and Position of the Members of the Nomination and Remuneration Committee

1.	Mr. Karun Kittisataporn	Chairman
2.	Mrs. Jotika Savanananda	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

The advisors may attend the Nomination and Remuneration Committee meetings; 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 and Remuneration Committee

Consider the Board's appropriate structure, size, and composition to suit the organization and changing environment. Ensure the Board comprises directors with diverse skills and expertise to best benefit business operations and agree with the business direction. Uphold ethics and integrity and recruit directors on a basis of non-discrimination of gender, race, religion, age, professional skill, or other qualifications. Deliberate the right proportion of independent directors and criteria for director and the CEO nomination. Provide a succession plan for the CEO and top management. Deliberate fair remuneration criteria for directors, sub-committees, and the CEO, together with strategies and policies on human capital management and corporate management. For further details, please visit the Company's website under "Charter of the Nomination and Remuneration Committee".

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:

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

Name and Position of the Members of the Risk Policy Committee

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

Deliberate and make recommendations on the policy, strategies, structure, and scope to develop all types of the risk management scope. Screen and approve acceptable risk levels (risk appetite). Review the Company's overall

risk management by considering shareholders' total returns on investment (both short-term and long-term) and comparing them with the acceptable risk levels. Analyze Central Pattana's annual risk management strategies, provide risk management direction for the management, and oversee the definition of targets to measure performance and key risk indicators. For further details, please visit the Company's website under "Charter of the Risk Policy Committee".



Details of all committees' charters:
<https://www.centralpattana.co.th/en/sustainability/corporate-governance/charters>

Executive Committee

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

Name and Position of the Members of the Executive Committee

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

Duties and Responsibilities of the Executive Committee

Screen the following items and submit findings to the Board for consideration and approval: Central Pattana's strategic plans, financial targets, operating plans, annual budget estimates based on the Company's strategic plans, project investments or material transactions within the Committee's scope of authority, and investment opportunities in new businesses. Support business collaboration to enhance bargaining power and competitiveness. Strengthen relationships and manage matters concerning all stakeholders. Perform or approve other transactions assigned by the Board. For further details, please visit the Company's website under "Executive Committee".

Management

Management Committee

Management Committee consists of 8 members.

Name and Position of the Members of the Management Committee

1.	Mr. Preecha Ekkunagul ¹	Chairman
	President & CEO	
2.	Ms. Wallaya Chirathivat ¹	Member
	Deputy Chief Executive Officer	
3.	Mr. Suthipak Chirathivat ¹	Member
	Senior Executive Vice President, Office of the President	
4.	Ms. Naparat Sriwanvit ¹	Member
	Senior Executive Vice President, Finance, Accounting and Risk Management	
5.	Mr. Chanavat Uahwatanasakul ¹	Member
	Senior Executive Vice President, Development Workgroup	
6.	Mr. Lertvit Pumipitak ¹	Member
	Senior Executive Vice President, Property Management	
7.	Mrs. Narttaya Chirathivat	Member
	Executive Vice President, Office of the President	
8.	Dr. Nattakit Tangpoonsinthana	Member
	Executive Vice President, Marketing	

Remark: ¹ Central Pattana's executives No.1-6 are the management members as specified in the SEC Notification. Please see their profiles and experiences in Attachment 1.

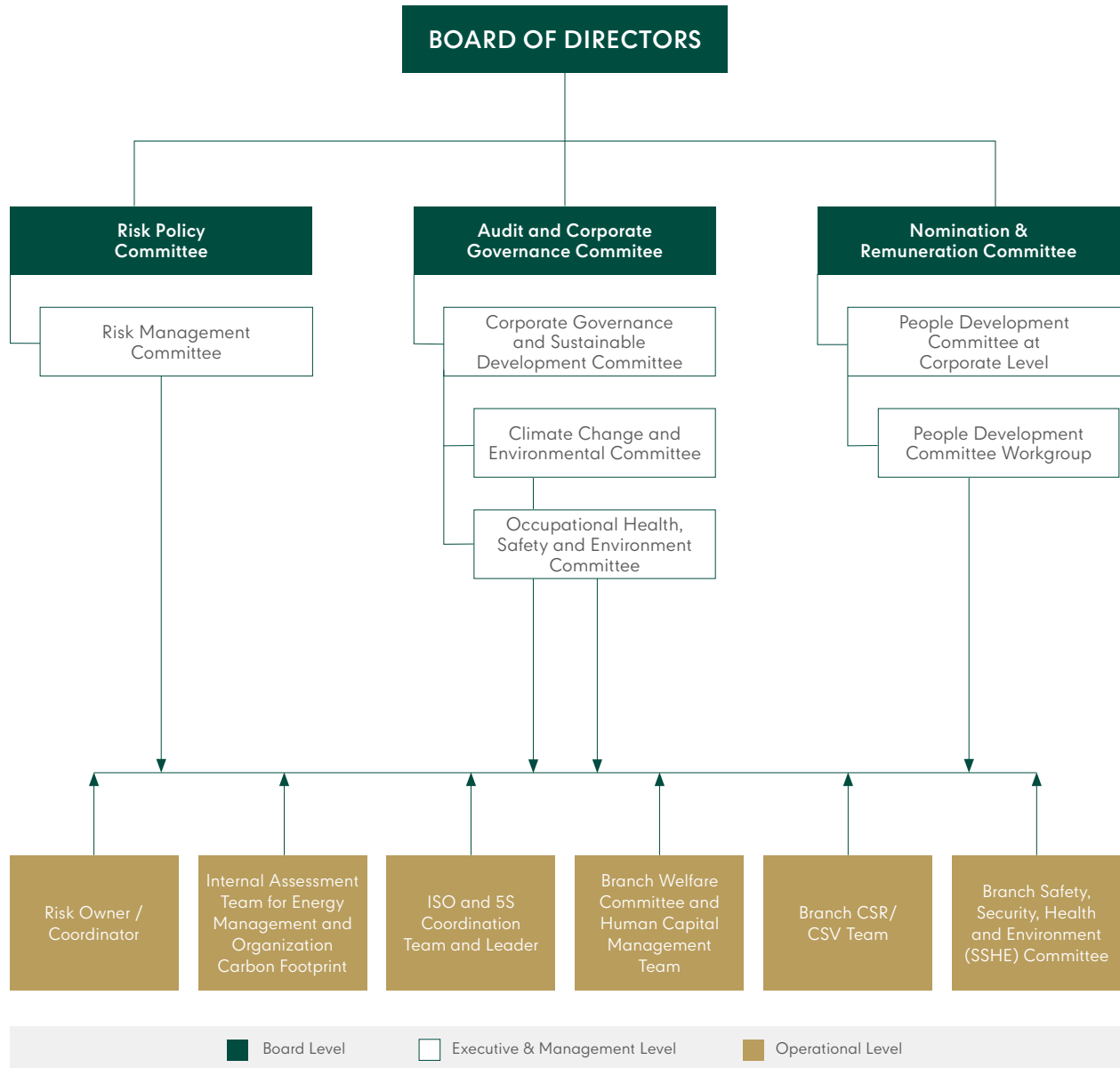
Duties and Responsibilities of the Management Committee

Prepare and propose strategic business plans, financial targets and operation plans. Prepare and propose annual budget estimates. Take full responsibility for the Company's conformance to applicable laws, its objectives, articles of association, shareholders' resolutions, the Board's resolutions, and applicable regulations. Approve, within its scope of authority, the Company's investment and operating budgets, and propose investment and other material transactions to the Executive Committee or the Board, or both, for consideration under the authorization procedure or other Company regulations. Perform or approve other transactions assigned by the Board. For further details, please visit the Company's website under "Management Committee".



Details of all committees' duties and responsibilities:
<https://www.centralpattana.co.th/en/about-us/management-structure/sub-committee>

Structure of the Sustainable Development Committee and Working Group



Composition, responsibility, and the number of meetings of the Committee and working group are available on the Central Pattana website under "Operational structure for sustainability" <https://www.centralpattana.co.th/en/about-us/management-structure/sub-committee>.

Remuneration

Remuneration of Directors

Central Pattana has defined 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 SET and the Thai Institute of Directors ("IOD") as reference.

Due to the situation of the COVID-19 virus which affects the Company's revenue and operation, the Nomination and Remuneration Committee deemed it appropriate to recommend the Board to propose the shareholders on July 10, 2020 to consider and approve the remuneration for the Board of Directors for 2020 with a ceiling of Baht 18,000,000; decreasing from 2019 by Baht 2,000,000. Detail of the Company's director remuneration structure is as follows:

1. Monthly Remuneration and Meeting Allowance

Remuneration	Amount (Baht)
1. Regular Remuneration (Baht/Month)	
• Chairman	55,000
• Lead Independent Director ¹	50,000
• Chairman of the Audit and Corporate Governance Committee	44,333
• Member of the Audit and Corporate Governance Committee	34,333
• Director	28,333
2. Meeting Allowances for the Board of Directors (Baht/Meeting)	
• Chairman	60,000
• Lead Independent Director	42,000
• Director	42,000
3. Meeting Allowances for the Audit and Corporate Governance Committee (Baht/Meeting)	
• Chairman of the Audit and Corporate Governance Committee	65,000
• Member of the Audit and Corporate Governance Committee	50,000
4. Meeting Allowances for the Nomination and Remuneration Committee including the Advisory (Baht/Meeting)	
• Chairman of the Nomination and Remuneration Committee	35,000
• Member of the Nomination and Remuneration Committee	30,000
5. Meeting Allowances for the Risk Policy Committee (Baht/Meeting)²	
• Chairman of the Risk Policy Committee	35,000
• Member of the Risk Policy Committee	30,000

Remarks: ¹ The Board of Directors has approved the appointment of the Lead Independent Director, taking effect on October 9, 2019. To be in line with the role and responsibilities as being assigned, the remuneration will be paid to the mentioned role, taking effect from July 2020 onwards.

² The Executive Director and management who have any responsibilities in the sub-committee will not receive the remuneration.

2. Bonus

The bonus, calculated from the remaining amount of approved remuneration budget, will be allocated to directors by which the Board of Directors is authorized to determine the conditions, the details, and the rate of bonus payment as appropriate together with consideration of the Company's performance outcomes. In addition, the amount of bonus being allocated to each director is depended on the accountability, performance and the participation in the meeting. The Executive Director will not receive any director's bonus, however.

3. Other Benefits

-None-

In 2020, the Company has paid the board remuneration in the form of monthly remuneration and meeting allowance totaling Baht 12,606,947, with no bonus. For further information, please see Chapter 26 Report of Corporate Governance under "Remuneration of the Board 2020".

Remuneration for Directors Serving as Directors of Subsidiaries

Central Pattana governs its subsidiaries' businesses by appointing certain directors to serve as directors of such subsidiaries to ensure shareholders and stakeholders of its oversight of capital investment in the best interests of the Company.

The compensation of Central Pattana's directors serving as directors of subsidiaries comprises monetary compensation, namely the monthly retainer fees and meeting allowances, with no benefits in other forms.

The remuneration paid to the directors serving as directors of subsidiaries for 2020 are as follows:

Grand Canal Land Public Company Limited ("GLAND")

Name of Directors	Position	Remuneration (Baht)
Mr. Sudhitham Chirathivat	Chairman	822,000
Mr. Preecha Ekkunagul	Director	582,000

Remuneration of Management

For the remuneration of the management, Central Pattana 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 the Company'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, which is based on performance outcome in the present year, coupled with the consideration on performance outcome aligning with long-term goals and plans. KPIs have been clearly set in each year, based on key financial measures for approximately 80% along with non-financial strategic objectives for approximately 20%.

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).

Compensation Structure

Fixed Compensation and Benefits

- **Base Salary:** The level of base compensation reflects the key responsibilities, job characteristics, experience and skill set and is paid in cash monthly. Base compensation is reviewed annually based on performance in comparison with the set goals and plan as well as the compensation rate within the same or similar industry.
- **Other Benefits:** With an objective to establish a level of security for Central Pattana's personnel as well as to provide preparation and assistance in case of retirement, resignation, health, disability and death. The benefits include provident fund, medical expenses, accident insurance, travel insurance, life insurance and COVID-19 insurance during the pandemic situation, for instance.

Performance-related Variable Compensation Short-term Incentives

- **Performance Bonus:** Variable compensation is in accordance with annual performance and is paid in cash. Performance during the past fiscal year is taken into consideration against the set goals and plan as well as the compensation rate within the same or similar industry.

Long-term Incentives

- **Stock Allocation:** The Employee Joint Investment Program ("EJIP") aims to encourage the management's participation in Central Pattana's ownership and nurture performance incentives while retaining the Company's personnel over the long term. Including the silent period, this project spans five years from May 1, 2019, to April 30, 2024. For those eligible applicants, 5% of their base salary will be deducted each month until the end of their project participation; Central Pattana will in the meantime contribute the same amount each month until the completion of the project payment period.

The total remuneration paid to the management for 2020 are as follows:

- **Salaries and Bonuses:** Central Pattana contributed remuneration in form of salaries and bonuses paid to 19 executives amounted to Baht 180,410,910.94 (at the average of Baht 9,495,311.10 per person).
- **Provident Fund:** Central Pattana contributed the Provident Fund paid to 19 executives amounted to Baht 12,145,632.40 (at the average of Baht 639,243.81 per person).

- **Stock Allocation in the EJIP Project:** In 2020 a total of 60 executives participated in the project, and Central Pattana paid a total contribution of Baht 3,093,121.00. Stock allocated to executives, as specified in the SEC Notification, who are eligible and voluntarily join the program appears in the Table Directors and executives holding Central Pattana's shares in 2020.

Remuneration for the Management Serving as Directors and Executives of Subsidiaries

Central Pattana governs its subsidiaries' businesses by appointing its management team members as their directors and management to ensure that their businesses align with Central Pattana's business direction.

The remuneration of the management serving as directors and executives of subsidiaries comprises monetary compensation, namely salary, with no benefits in other forms.

The total remuneration paid to the management for 2020 are as follows:

Name of Company	Management (Persons)	Remuneration (Baht)
Grand Canal Land Public Company Limited ("GLAND")	2	780,000
CPN REIT Management Company Limited	2	585,000

Personnel

Number of Employees

Central Pattana's total number of employees properly serves business operations. Thanks to proper employee distribution to each key function, the Company does not face a labor shortage risk. Furthermore, the change in the number of employees in 2020 was in line with Central Pattana's growth direction. There were 4,863 employees in total as of December 31, 2020.



Please see Chapter 19 Sustainable Development and the Company's website under "Employee Management and Engagement" https://www.centralpattana.co.th/storage/download/sustainability/reporting-library/en/20200326_sustainability-performance-02.pdf.

Employee Compensation

The Company puts in place a policy to pay fair remuneration and welfare to employees at all levels. It sets a remuneration structure, such as salary and bonus, aligned with the employees' competency, and performance as well as the Company's short-term and long-term performance. Implementation complies with the "Code of Ethics and Corporate Governance Principle" handbook on page 28. See further details on the Central Pattana website under "Employee Treatment Policy".

The Board ensures that the Company has a policy to pay fair compensation and constantly fosters employees' capacity. It summarized the total compensation of 2020, including salary, bonus, and provident fund. For further detail, please see the Financial Report 2020 (56-1 One Report) under "Employee benefit expenses". For details about the Company's personnel, please see Chapter 19 Sustainable Development under "Employee Management and Engagement".

Other Key Information

Other Key Positions

1.	Mrs. Suwadee	Singngam	Senior Vice President, Accounting and Office Management
2.	Ms. Ampawee	Chompoopongkasem	Vice President, Company Secretary Office and Company Secretary
3.	Ms. Nonglak	Sriwongphanawes	Vice President, Internal Audit Office
4.	Mr. Ponpinit	Upathamp	Head of Investor Relations

Detail and Remuneration of External Auditor

The 2020 Annual General Meeting of Shareholders ("AGM") approved the appointment of KPMG Phoomchai Audit ("Primary External Auditor") as the external auditor for the Company and its subsidiaries in 2020, represented by one of the following officers namely, 1) Ms. Vannaporn Jongperadechanon with CPA registration number 4098, 2) Ms. Bongkot Amsageam with CPA registration number 3684, 3) Ms. Vilaivan Pholprasert with CPA registration number 8420 and 4) Mrs. Sasithorn Pongadisak with CPA registration number 8802, at an audit fee of Baht 8,960,000. The audit fee paid in 2020 is amounted to Baht 8,960,000, with no other non-audit fee.

The external auditor of certain overseas subsidiaries may be served by either Primary External Auditor or Secondary External Auditor. The Management was also authorized to approve the appointment of the external auditor and determine incidental review fees for the financial statements of subsidiaries, associates, joint ventures, and others incurred in 2020. The AGM approved the remuneration for auditing its 4 overseas subsidiaries, at an audit fee of Baht 823,000. The audit fee paid in 2020 is amounted to Baht 823,000, with no other non-audit fee.

Report on Key CG Performance

In 2020, although Central Pattana faced challenges from COVID-19, the Board emphasized the importance of supervising the Company's operations under corporate governance (CG) principles. It took into account all stakeholders' interests, such as looking after the interests of major, individual, and institutional shareholders and taking care of the employees, communities, and the environment. It also pushed for continuous implementation of CG-related policies.

Performance of the Board and Sub-committees in 2020 are as follows:

Nomination

Nomination of Directors and Independent Directors Nomination Criteria and Methods

The Nomination and Remuneration Committee reviews eligible directors through diverse channels by:

- Allowing the major shareholder, individual shareholders, directors, and executives to nominate directors. The Company allows all shareholders the opportunity to participate in nominating for consideration as possible candidates for appointment as a Director of the Company for three months prior to the end of the financial year. The Company makes the announcement, together with the details of procedure for the nomination and consideration, via the disclosure system of the Stock Exchange of Thailand ("SET") and the Company's website. In 2020, there was no nomination from the shareholders.
- Taking the Director Pool provided by the Thai Institute of Directors ("IOD") or by other organizations into consideration.
- Leveraging other channels considered suitable by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is responsible for considering the nomination and screening suitable candidates with qualifications predetermined in Company's articles of association, Charter of the Board, the Company's business strategy, 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 the Securities and Exchange Commission ("SEC")
- Candidates for independent directors must possess SEC-required qualifications
- Board skill matrix comprising knowledge, experience, skills, and relevant expertise in line with the Company's strategy for business operation
- Board diversity, including race, nationality, gender, age and other factors, is taken into consideration during the selection and nomination process
- Leadership, vision, ethics, and integrity
- Ability to devote adequate time to their duties (for existing directors)

The Nomination and Remuneration Committee then proposes to the Board for endorsement and to the Shareholders' Meeting for approval to appoint directors 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 2020 AGM, four directors completed their terms in 2020 and were reappointed by the Shareholders' Meeting for another term:

1.	Mr. Suthichai	Chirathivat	Chairman
2.	Mr. Paitoon	Taveebhol	Independent Director / Chairman of the Audit and Corporate Governance Committee / Chairman of the Risk Policy Committee
3.	Mr. Sudhitham	Chirathivat	Non-Executive Director / Member of the Nomination and Remuneration Committee
4.	Mr. Preecha	Ekkunagul	Executive Director / Member of the Risk Policy Committee / President & CEO

Despite having been an independent director for more than nine years, the Company has the necessity to nominate Mr. Paitoon Taveebhol due to his qualifications, which meets all the SET's regulations and requirements of CPN's independent director definition, which is much stricter than those required by the Office of the Securities and Exchange Commission ("SEC"), his knowledge, competency and experience as required by the Company, his vision being in line with the Company's strategy, his integrity, and his expertise in accounting and reviewing the credibility of financial statements. The Board agrees that his appointment as an independent director would not have any effect on his performance and he is able to independently raise his opinions and in compliance with the relevant rules and regulations.



For further information, please visit the Company's website under "Agenda item 5: To Consider and Approve the Appointment of Directors in Place of Those due to Complete Their Terms in 2020" <https://www.centralpattana.co.th/storage/ir/shareholder-information/shareholders-meeting/minutes-of-meeting/20200723-cpn-agm2020-minutes-en.pdf>



For further information about the qualifications of independent directors, please visit the Company's website under "Charter of the Board of Directors" <https://www.centralpattana.co.th/en/sustainability/corporate-governance/charters>.

Orientation for New Directors

The Company has arranged a meeting among new and existing ones, including 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. Central Pattana's goals, vision, and strategies
2. Central Pattana's group structure, organization chart, and sub-committees
3. Central Pattana's business nature
4. Central Pattana's shareholding structure
5. Central Pattana's policy on connected transactions
6. Central Pattana's performance, recent projects, and projects under construction to provide new directors with adequate basic information to perform their duties efficiently.

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

1. Director's manual, consisting of Central Pattana's vision, mission, and values; corporate governance policy; code of conduct for directors, executives, and employees; Central Pattana's Articles of Association; Central Pattana'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 Central Pattana's internal information control
4. Regulations on Central Pattana'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 Central Pattana's business operation and performance, and details on risk management and internal control
7. Board meeting minutes for the past three years
8. Performance reports of the Audit and Corporate Governance Committee for the past three years
9. Performance reports of the Nomination and Remuneration Committee for the past three years
10. Performance reports of the Risk Policy Committee for the past three years
11. Board meeting schedule for the entire year

In 2020, an orientation was held for Mrs. Nidsinee Chirathivat.



Nomination of Management

Nomination of the CEO

The Executive Committee conducts a preliminary screening of qualified candidates with the required competency and experience, and then tables them to the Nomination and Remuneration Committee's consideration and endorsement before proposing to the Board for approval.

Nomination of Senior Executives

The CEO selects and appoints qualified and competent candidates, possessing knowledge, skills, and experience relevant to the Company's business operation, suitable for each executive position and responsibility. The recruitment will be done under Human Capital Management and Organization Development Department's regulations

Succession Plan

The Board oversees the formulation of Central Pattana's succession and development plans for top executives, with an emphasis on the CEO position, to ensure business continuity, while developing personnel to competently take important positions through the following procedures:

- The Executive Committee and the CEO jointly formulate succession plans for the positions of Senior Executive Vice President and Executive Vice President, along with determining the skills, knowledge, competency and other qualifications of candidates for the succession plan.
- The CEO oversees the development of candidates' knowledge and competency via assorted methods including training, special assignment, and job rotation to strengthen essential skills and groom them for future positions.
- The CEO reports to the Nomination and Remuneration Committee on the succession plan for management positions and the implementation outcomes of individual development plans for qualified executives at least once a year and when there is any significant change.
- The Nomination and Remuneration Committee reports to the Board on the summary of the implementation outcomes of succession plans for management positions for the Board's acknowledgement at least once a year and when there is any significant change.

Training and Seminars of the Board

The Board has valued the continuous development of its directors as stipulated in the “Code of Conduct and Corporate Governance Principles” handbook (“the Handbook”) page 51,



<https://www.centralpattana.co.th/storage/sustainability/corporate-governance/code-of-business-conduct/20190418-cpn-code-conduct-cg-th-02.pdf>

All directors had attended IOD courses enhancing their directorship. The Company has also encouraged the Board to develop knowledge and exchange experiences by promoting and coordinating to accommodate consistent participation of all directors in training and seminars each year. The training and seminars attended by each director in 2020 were summarized as follows:

Seminars and Training Courses Attended by Each Director in 2020

Name of Directors		Course Topic	Organization	Detail
Mr. Suthichai	Chirathivat	Economic Outlook: “Thai and Global Economies in 2021”	Central Pattana	November 30, 2020
Mr. Karun	Kittisataporn	Economic Outlook: “Thai and Global Economies in 2021”	Central Pattana	November 30, 2020
Mr. Paitoon	Taveebhol	Chairman Forum: “Leading Boardroom Through Disruption: What Directors should know?”	IOD	Online seminar
		Director Forum: “Board’s Role in Strategy for Business Sustainability”	IOD	Online seminar
		GRC Series EP. 3 # ESG Driven Boardroom: from “Purpose” to “Performance”	IOD	Online seminar
Mrs. Jotika	Savanananda	Independent Director Forum “Inside CEO Succession: Essential Guide for Board” 1/2020	IOD	October 29, 2020
		Economic Outlook: “Thai and Global Economies in 2021”	Central Pattana	Online seminar
Mr. Veravat	Chutichetpong	Economic Outlook: “Thai and Global Economies in 2021”	Central Pattana	Online seminar
Mr. Suthikiati	Chirathivat	Economic Outlook: “Thai and Global Economies in 2021”	Central Pattana	Online seminar
Mr. Sudhisak	Chirathivat	Economic Outlook: “Thai and Global Economies in 2021”	Central Pattana	Online seminar
Mr. Sudhitham	Chirathivat	Independent Director Forum “Inside CEO Succession: Essential Guide for Board” 1/2020	IOD	October 29, 2020
		Economic Outlook: “Thai and Global Economies in 2021”	Central Pattana	Online seminar
Mrs. Nidsinee	Chirathivat	Director Certification Program (DCP) 299/2000	IOD	October 14 - November 11, 2020
Mr. Kobchai	Chirathivat	Economic Outlook: “Thai and Global Economies in 2021”	Central Pattana	Online seminar
Mr. Prin	Chirathivat	-	-	-
Mr. Preecha	Ekkunagul	Consumer Behavior in the New Normal Post COVID World	Vitamins Quantitative Co., Ltd.	October 30, 2020
		Chairman Forum: “Leading Boardroom Through Disruption: What Directors should know?”	IOD	Online seminar
		Director Forum: “Board’s Role in Strategy for Business Sustainability”	IOD	Online seminar
		Economic Outlook: “Thai and Global Economies in 2021”	Central Pattana	November 30, 2020

The Board's Self-Evaluation

1. Board's Self-Evaluation Form

- **Criteria**

Central Pattana Board's Self-Evaluation Form applies the 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 the Company's operation as well as suggestions on the management's method to present annual strategic plan.

- **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 director's performance, this evaluation form fully aligns with the Board's legal obligation, the Company's Charters and Code of Conduct, and the best-practice guidelines of the SEC and the SET, by focusing on:

- 1) Director's code of conduct and performance
- 2) Strategic formulation, supervision, and monitoring of the Company'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. Sub-Committee's Self-Evaluation Form

All sub-committees including 1) Audit and Corporate Governance Committee, 2) Nomination and Remuneration Committee and 3) Risk Policy Committee must undertake annual self-evaluation, the outcomes of which are applied to boost their input to support Central Pattana committees' work and each dimension of its business operation.

The "excellent" outcome of the Board, individual Director and Sub-committee performance assessment in 2020 can be summarized as follows:

Evaluation	Outcome (%)
The Board of Directors	
1. The Board of Directors (Full Board)	96.66
2. The Board of Directors (Individual)	95.92
Sub-Committees	
3. Audit and Corporate Governance Committee	98.00
4. Nomination and Remuneration Committee	100.00
5. Risk Policy Committee	98.68

4. 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 10 aspects of CEO's performance, namely, leadership, strategic identification, adherence to strategic plans, financial planning and outcomes, relationship with the Board, relationship with external parties, management skills and staff relationship, succession plan, products and service knowledge and personal qualifications.

Component II Under the section of CEO Development, the Board gives additional opinions on CEO's strengths and aspects for further improvements.

• Procedure

The CEO, along with the Nomination and Remuneration Committee, jointly set clear KPIs at the beginning of the year. The Committee then reported to the Board the evaluation criteria, and the Board compared its evaluation with the President's self-assessment. After receiving the CEO's actual monetary and non-monetary performance, the Board compared it with the KPIs to decide his remuneration.

The result of the Board's evaluation in 2010 was 96.05%, very close to the CEO's self-assessment, which was 96.36%, both of which ranked as "excellent".

Meeting Attendance and Remuneration of the Directors

Board Meetings

- The Company's regulations require Board meetings to be held at least once every three months. As stipulated in the Company's Code of Conduct and Corporate Governance Principles, The Board members had the duty to regularly attend Board meetings with the ratio of at least 75% of the meetings for the entire year. In 2020, there were ten Board meetings. For each director's attendance, please see the table "Meeting Attendance and Remuneration of the Directors in 2020". Each individual director's attendance ratio is no less than 75% and the average board attendance ratio is at 95.87%
- The Company Secretary must submit meeting documents that can be revealed in a written form without affecting the Company'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. Except in emergencies, to protect the Company's rights or interests, appointments for such meetings can be made through other methods at shorter notice.
- As stipulated in the Company's Code of Conduct and Corporate Governance Principles, each time the Board voted, the Board decided that the Board composition should be recorded in the meeting minutes. Voting on each item requiring approval was done by no less than two-thirds of the Board. Any director with vested interest in any agenda must abstain from voting.
- The Company has scheduled the Board and sub-committee's meeting for the entire year in advance and informed every director at the end of the year.
- The Company's Code of Conduct and Corporate Governance Principles stipulates that non-executive directors must hold at least one meeting a year. In 2020, there was a meeting of non-executive directors in November to review the 2021 strategic plan and a meeting of independent directors in July to independently discuss on significant matters which may affect the Company's strategy and business, where summaries of issues for consideration and helpful recommendations were provided to the Board and the management for further action.

Meeting Attendance and Remuneration of the Directors in 2020

Name of Directors	Position	Meeting Attendance (Meeting)				
		2020 Annual General Meeting of Shareholders	Board of Directors ¹	Audit and Corporate Governance Committee	Nomination and Remuneration Committee	Risk Policy Committee
		1 Meeting	10 Meetings	11 Meetings	3 Meetings	3 Meetings
1. Mr. Suthichai Chirathivat	Chairman	1/1	10/10	-	-	-
2. Mr. Karun Kittisataporn	Lead Independent Director Member of the Audit and Corporate Governance Committee Chairman of the Nomination and Remuneration Committee	1/1	9/10	11/11	3/3	-
3. Mr. Paitoon Taveebhol	Independent Director Chairman of the Audit and Corporate Governance Committee Chairman of the Risk Policy Committee	1/1	10/10	11/11	-	3/3
4. Mrs. Jotika Savanananda	Independent Director Member of the Audit and Corporate Governance Committee Member of the Nomination and Remuneration Committee	1/1	10/10	11/11	3/3	-
5. Mr. Veravat Chutichetpong	Independent Director Member of the Audit and Corporate Governance Committee	1/1	10/10	11/11	-	-
6. Mr. Suthikiati Chirathivat	Director	1/1	9/10	-	-	-
7. Mr. Sudhisak Chirathivat	Director Advisory of the Nomination and Remuneration Committee	1/1	10/10	-	3/3	-
8. Mr. Sudhitham Chirathivat	Director Member of the Nomination and Remuneration Committee	1/1	10/10	-	3/3	-
9. Mrs. Nidsinee Chirathivat ²	Director	-	4/4	-	-	-
10. Mr. Kobchai Chirathivat	Director Member of the Risk Policy Committee	1/1	10/10	-	-	2/3
11. Mr. Prin Chirathivat	Director Member of the Risk Policy Committee Advisory of the Nomination and Remuneration Committee	1/1	8/10	-	3/3	3/3
12. Mr. Preecha Ekkunagul	Director Member of the Risk Policy Committee	1/1	10/10	-	-	-
Total						

Remarks: ¹ In 2020, there was a meeting of non-executive directors on November 5, 2020.

² Since the appointment of Mrs. Nidsinee Chirathivat as a director was effective from the Annual General Meeting of Shareholders of July 10, 2020, she has begun attending Board meetings from Meeting No. 7/2020 onward.

Director Remuneration (Baht)					Total (Baht)
Quarterly Retainer	Meeting Allowance for the Board of Directors	Meeting Allowance for the Audit and Corporate Governance Committee	Meeting Allowance for the Nomination and Remuneration Committee	Meeting Allowance for the Risk Policy Committee	
660,000	600,000	-	-	-	1,260,000
506,000	378,000	550,000	105,000	-	1,539,000
532,000	420,000	715,000	-	105,000	1,772,000
412,000	420,000	550,000	90,000	-	1,472,000
412,000	420,000	550,000	-	-	1,382,000
340,000	378,000	-	-	-	718,000
340,000	420,000	-	90,000	-	850,000
340,000	420,000	-	90,000	-	850,000
159,947	168,000	-	-	-	327,947
340,000	420,000	-	-	60,000	820,000
340,000	336,000	-	90,000	90,000	856,000
340,000	420,000	-	-	-	760,000
4,721,947	4,800,000	2,365,000	465,000	255,000	12,606,947

The quarterly retainer for the directors, meeting allowances based on corporate performance for directors as members of the Board and sub-committees for 2020 totaled Baht 12,606,947, with no bonus, due to the impact from the COVID-19 situation, and no benefits in other forms.

Non-executive directors can voluntarily opt for receiving their remuneration as allocated securities in the Company's joint investment program, in accordance with terms and conditions of securities allocation as disclosed to the SET on March 18, 2020.

Supervision of Subsidiaries and Associated Companies

Governing Mechanism for Subsidiaries and Associates

Central Pattana's Board of Directors governed the operation of subsidiaries and associates as follows:

1. Management has the duty to consider sending representatives of the Company to serve as directors or executives in such subsidiaries and associates, at least to the ratio of the Company's shares in the company. These representatives duly help align subsidiaries and associates' policies and business operations with Central Pattana's policies and governance approaches.
2. Representatives appointed as directors or executives in such subsidiaries and associates can undertake duties within their authorization to guard the interests of Central Pattana's investment and report directly to management. Whenever a special transaction requires approval, a request for approval must also be submitted to Central Pattana in accordance with its assigned authorization.
3. Management has the duty to periodically report performance results of such subsidiaries and associates to Central Pattana's Board of Directors, including significant operations or changes that may affect the financial position and performance results of Central Pattana.
4. Internal Audit has the duty to check and report on the efficiency of internal control of such companies to the Audit Committee and the Corporate Governance Committee according to pre-established plans.
5. The Board of Directors has the duty to supervise and ensure that the subsidiaries and associates comply with all related rules and regulations as well as disclosing all financial position information and performance results, related party transactions, acquisition and disposal of assets, as well as other important transactions as completely and accurately as possible under the same criteria as Central Pattana.

Shareholders' Agreement in the Management of Subsidiaries and Associates that Significantly Affects the Central Pattana Group Operation and Significantly Affects the Administration or Authority or Sharing of Benefit Apart from Normal Returns on Shareholding

-None-

Monitoring the Implementation in Compliance with Corporate Governance Policies and Practices

The Board has highlighted the importance of corporate governance by stipulating relevant policies and practices in the Handbook and enhanced tangible implementation to build stakeholder trust.

In 2020, the Company has monitored the implementation in compliance with the Code of Conduct and Corporate Governance Principles, covering significant matters such as equitable treatment of shareholders, human rights, employee engagement with non-discrimination, safety and occupational health, responsibilities towards the society, communities and the environment, information security, personal data protection for related stakeholders, as well as ensured transparency for the Company's business operation as follows:

Monitoring of Conflicts of Interest

Central Pattana follows its policy to conduct business with honesty, open-mindedness, transparency, and fairness. The Company's directors, executives, and employees must not engage in any business in competition with the Company or undertake any connected transaction related to themselves or persons/juristic persons, which could pose any conflict of interest to the Company. 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 the Company. Any party involved in a conflict of interest transaction must not take part in the consideration of such transaction.

If certain connected transactions are crucial or non-compliant with the general commercial conditions approved by the Board and could cause a conflict of interest, the Audit and Corporate Governance Committee must review them and express opinions before proposing them to the Board or shareholders for approval. The Company has always followed the relevant criteria and disclosed all essential information in compliance with rules and regulations.

The Company's directors and executives are obliged to disclose and report vested interests and connected transactions undertaken by themselves and their related parties as follows:

- **Disclosure of Vested Interests:** Directors and executives are obliged to make the first report within 30 days after holding offices and report the information on December 31 each year. During the year, if there should be necessity to make transactions directly or indirectly with the Company and the subsidiaries, they are obliged to notify the Company immediately, stating facts about the nature of the contract, names of contract parties, and their vested interests in the contract so as to ensure transparent transactions. The Company Secretary is responsible for collecting and sending the copies of vested interests reports to the Chairman of the Board and the Chairman of the Audit and Corporate Governance Committee within seven business days from the date the Secretary receives the report.
- **Disclosure of Connected Transactions:** Directors and executives are obliged by the laws and the SEC and the SET's rules and regulations to report to the Company when agreeing to engage in connected transactions that may cause a conflict of interest.

In 2020, the Company did not receive any complaint about misuse of inside information nor conflicts of interest committed by any director or executive.

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 Central Pattana's shares in written form as stipulated in the Handbook, 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. Details are as follows:

- **Control of Inside Information:** Directors, executives, and all employees must not use the Company's inside information, significant and undisclosed, for their own benefit or the benefit of others and must strictly comply with the policy on the safeguarding and use of inside information.
- **Holding Central Pattana's Securities:** The Company's directors, executives, and employees may invest in the

Company'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 the Company's shares during the one-month period before the public disclosure of the Company's financial statements and at least 48 hours after the Company has disclosed such information to the SET or the public. If any of them buys, sells, transfers, or accepts transfer the Company'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 Central Pattana's Securities:** The Company's directors and executives are required to report the change within three days of their transactions.

Every quarter, the Company Secretary informs the directors, executives, and relevant employees about the non-trading period one month before disseminating the financial statements to the public. Moreover, Central Pattana monitors changes in securities holding of directors and top management, including spouses and under-age children, to report to the Board quarterly.

In 2020, neither directors nor executives breached the governance policy of inside information. However, certain of the directors notified the SEC of the change in securities holdings later than three business days without an intention to conceal the information. The Chairman stressed that directors must strictly abide by the rules of regulatory bodies.

Anti-Corruption

The Board emphasizes transparent business conduct and anti-corruption. Therefore, it has formulated methods to prevent the Company, subsidiaries, and associated companies from engaging in corruption activities. The efforts include identifying risks of corruption, defining preventive measures, improving internal control processes, communicating internally and externally about this issue, training employees, and reviewing the process' completeness and sufficiency.

Policy

The Board has put anti-corruption policies and measures into practice since 2014. In 2017, it updated them to enable the Company, subsidiaries, and associated companies to operate the business with transparency. Furthermore, it must never get involved with corruption, whether by demanding, accepting, or offering a bribe to government officials.



Anti-corruption Policy
<https://www.centralpattana.co.th/en/sustainability/corporate-governance/policies-implementing-guidelines>



Anti-corruption Measure
<https://www.centralpattana.co.th/en/sustainability/corporate-governance/anti-corruption-measures>

Central Pattana became a certified member of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since 2015 and must recertify once every three years. The Company was recertified on December 31, 2020.



Execution

The Company abides by CAC's anti-corruption policies, measures, and practices as follows:

1. Risk Assessment

Central Pattana assesses risks of fraud and corruption annually. See further details in Chapter 18 Risk Management. The results are reported to the Risk Policy Committee and the Board. The Company then improved the internal control and operating processes to minimize potential risks and their impacts.

2. Guideline Establishment to Control, Prevent, and Monitor Risks of Corruption

Central Pattana has formulated plans and operating procedures so that all departments can carry out their business activities on time and mitigate the risks of corruption.

3. Communication and Training

Central Pattana has been educating the employees about anti-corruption efforts as follows:

- Annual training on "Ethics in Workplace" led by Mr. Uthit Buasri, Deputy Secretary-General of the National Anti-Corruption Commission (NACC), transferring knowledge and perspectives on how to distinguish conflicts of interest. Moreover, in-house speakers shared knowledge and experience with lectures, brainstorming on case studies, and board game activities. In 2020, Central Pattana organized two classes; there were 95 participants in total.
- Training via e-Learning with the "Central Pattana Code of Conduct" course in line with its Code of Conduct and Corporate Governance Policy and anti-corruption measures. All employees can attend the course throughout the year.
- Monthly orientation to educate new employees
- Consistent communication with relevant policies, including the No-Gift Policy, via assorted channels, including the email, Central Pattana's website, bulletin boards, and ADMIRE journal to communicate with all employees and executives.

4. Monitoring and Evaluating Compliance with the Anti-Corruption Policy

- The objective of CG Individual Assessment is to gauge the level of knowledge and understanding of adherence to the Company's Code of Conduct and CG Principles. The purpose is to apply assessment results in developing effective approaches for promoting and implementing the CG Policy.
- Central Pattana monitors compliance with the No-Gift Policy. The Company Secretary collects information on gifts the employees inevitably received and reported through supervisors to relevant departments in headquarters and branches. The list of gifts and gift management guidelines are reported to the Audit and Governance Committee. This practice has been implemented since 2017.

5. Review of Process Completeness and Sufficiency

The Company Secretary Office, in collaboration with Internal Audit, collects information and prepares guidelines for improving Central Pattana's internal control processes and enhancing its effectiveness. Then it presents the guidelines to the Audit and Corporate Governance Committee for reviewing completeness and sufficiency. The result is then reported to the Board.

6. Extension of Cooperation toward Central Pattana's Business Partners

- Central Pattana communicates with partners on the code of conduct and anti-corruption measures by disclosing it on the Company's website. It also informs partners and related stakeholders about the No-Gift Policy through various channels, such as the website, letters, phone calls, and messages via the LINE application to ensure their acknowledgment and compliance. Furthermore, the CAC project posted Central Pattana's public relations materials on the CAC Facebook.
- The Company defined a transparent procurement method in line with the anti-corruption policy. Prospective partners must be screened by pre-qualification evaluation, which requires partners to implement the topics of sustainability, corporate governance, and anti-corruption.

- Central Pattana invites business partners and alliances to join the CAC or CAC SME program (depending on the business size); it sends letters signed by the President to inform them about the Company's No-Gift Policy.



Detail of relevant policies is stipulated in the Handbook as well as in the Code of Conduct and Practices for Suppliers. For further information, please visit the Company's website under "Code of Business Conduct": <https://www.centralpattana.co.th/en/sustainability/corporate-governance/code-of-business-conduct>.



For Anti-corruption Measure, please visit the website under "Anti-corruption Measures": <https://www.centralpattana.co.th/en/sustainability/corporate-governance/anti-corruption-measures>.

Whistleblowing and Complaints

In the case that stakeholders have doubts or witnessed acts suspected to be violation of laws, regulations, or the business code of conduct, including malpractice, such as violation of laws, company rules and regulations, fraud, corruption, abuse of power, authority exploitation, malfeasance, misconduct, human rights violation, acts that unduly impact society, communities, and the environment, they may ask for information, whistleblow, or file complaints with evidence to related parties or department. The Audit and Corporate Governance Committee makes sure that a whistleblowing process is put in place. The Office of Internal Audit, together with relevant functions, follows the Company's whistleblowing process. Details of communication channels are as follows:

Audit and Corporate Governance Committee

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

Online Whistleblowing System

<https://www.centralpattana.co.th/en/whistle-blowing>

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

The President & CEO

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

Complaint Management

Below is the summary of actions taken by Central Pattana when finding cases involving fraud or violations of the CG Policy:

1. **Established a fact-finding working group:** The complaint-handling staff considered the impact or severity that might arise from those complaints, such as employment

termination, common offense, or damage that caused significant financial loss. Central Pattana then could set up a working group to examine facts as seen fit.

2. **Appointed an Investigation Committee:** The appointed Investigation Committee should be suitably qualified and impartial, have no conflict of interest with the complaints, and consider the severity of complaints.
3. **Conducted an investigation and prepared the report:** If the employee in question is guilty, Human Capital Management and Organizational Development will take disciplinary action by requesting that employee to sign the "Notice of Penalty".
4. **Prepared a summary report on complaint handling:** Internal Audit prepared a summary report on complaint-handling to present to the Audit and Corporate Governance Committee in the Audit and Corporate Governance Committee meeting, and then to the President and the Board, respectively.

Actions taken by the Company in 2020

In the past year there were a total of 36 whistleblowing cases and complaints, categorized as follows:

1. Six cases where no evidence was found to substantiate the complaints
2. Fourteen cases where resolutions were reached, and concerned agencies were requested to deal with the problems
3. Nine cases where employees faced disciplinary measures and/or legal measures according to regulatory requirements of the Company's guidelines
4. Four other cases concerning commendation or complaints due to misunderstanding that the Company has already clarified
5. Three cases under consideration.

After investigation of facts and wrongdoings were found and offenders were penalized, the Company did not sustain damage, either financially or non-financially. A summary of all nine disciplinary measures were:

Type of Complaint	Verbal Warnings	Written Warnings / Disciplinary Points Deducted	Dismissal with No Compensation	Total
Negligence of duty/Improper behavior	2	2	-	4
Fraud/corrupt practices*	-	-	4	4
Violation of laws, regulations and Central Pattana articles of association	-	-	1	1
Grand Total	2	2	5	9

Remark: * 4 cases of fraud/misconduct by employees which pose disadvantages to the Company, while no case of bribery to governmental sector or external parties which induce business favors.

Internal Control

Recognizing the value of an internal control system that is efficient and adequate, the Board, the Audit and Corporate Governance Committee, and management has instituted such system under the internal control scope of COSO Framework 2017 (The Committee of Sponsoring Organizations of the Treadway Commission). The Internal Audit Office jointly with other departments annually assesses the system's adequacy and suitability to ensure efficiency, effectiveness, and standard operations for all aspects of corporate processes.

In 2020, The Internal Audit Office assessed the adequacy of the system against the Securities and Exchange Commission (SEC)'s assessment form in five aspects: control environment, risk assessment, control activities, information and communication, and monitoring activities. The findings were reported to the Audit and Corporate Governance Committee for concurrence before their forwarding to the Board.

In 2020, the Company organized 11 Audit and Corporate Governance Committee meetings. At each meeting, agenda items concerned the review of internal control adequacy, undertaken through the review process of The Internal Audit Office's and the external auditor's audit outcomes; review of connected transactions; review of the Company's risk management and corporate governance; and provision of essential recommendations for the development and monitoring of management performance as recommended in applicable reports; and review of internal processes for whistleblowing and complaint handling.

The Audit and Corporate Governance Committee Meeting No. 1/2021 on January 6, 2021 was reported on the adequacy assessment for the year 2020's internal control system. The Committee considered the system adequate and suitable. The Board Meeting No. 1/2021 on January 14, 2021 - with four independent directors and the Audit and Corporate Governance Committee members in attendance-concurred with the Board's resolution that the internal control system was satisfactory and forged sensible confidence in the Company's and subsidiaries' consolidated

financial statements (appearing under "Responsibility of the Board of Directors to the Financial Statements") in agreement with the Audit and Corporate Governance Committee's opinions (as stated under "Report of the Audit and Corporate Governance Committee"). The Company was adequately staffed to efficiently comply with the system, while top management relentlessly valued and monitored operations. Also, KPMG Phoomchai Audit Ltd., the external auditor of the quarterly and annual financial statements for 2020, provided its views included in its audit report that the consolidated and separate financial statements were materially accurate against financial report standards (as stated in the Financial Report under "Independent Auditor's Report").

Significant details can be summarized below:

1. Control Environment

Central Pattana's control environment was regarded as suitable, based on the following:

- Central Pattana has a code of ethics, corporate governance principles, and anti-corruption measures in writing. It communicates these to the directors, executives, and employees through training and various online media. It also informs subsidiaries and associated companies whose shares Central Pattana is holding and third parties via documents and website. Individual CG Assessment is conducted annually. The Company will take disciplinary action if finding any non-compliance with the integrity and ethics requirements stipulated in the Code of Conduct and Corporate Governance. It also takes care of complaint channels.
- The Company's CAC membership was re-certified for the second time. It is also the model organization in the STRONG: Anti-Corruption Education Project organized by the Office of the National Anti-Corruption Commission (NACC). Recognizing the importance of all business stakeholders, Central Pattana has won the ESG 100 Company award and has been ranked in the DJSI for the 7th consecutive year.

- The Board is independent of management and has knowledge and expertise on the business. It has prepared the Board Charter and Committee Charters that clearly indicate how to perform duties efficiently, effectively, and fairly in compliance with Central Pattana's corporate governance guidelines. Furthermore, it has provided a process for recruiting and considering the qualifications of directors and the President under the Nomination and Remuneration Committee's supervision before proposing to the Board for approval and appointment.
- With clear, measurable business goals, Central Pattana has organized various training courses to raise the personnel quality to align with its growth. It has provided incentives and held activities to relieve the pressure of the employees. In addition, Central Pattana modified the organizational chart to align with corporate policy, competition status, and the current situation.
- Communication with employees established their mastery of risk matters through online and offline training. Central Pattana also recognized new laws that may significantly affect business operations, such as the Personal Data Protection Act, B.E. 2562 (2019). In 2020, it educated employees involved to raise their awareness of this matter, leading to the improvement of relevant work processes in compliance with laws. Moreover, Internal Audit communicated "3 Lines of Defense" to relevant parties to educate them on internal risk management.
- The Corporate Strategy Office has identified business model transformation that may affect business operations in order to fine-tune Central Pattana's strategies and goals under changing circumstances. This includes the assessment of relevant factors, including the movement of other retail stores alongside the micro- and macro-economic environment to assess the Company's risks and their impacts on the Company. This year the Company has defined its strategy with an emphasis on the business beyond shopping centers, joint ventures, new investments, and intensifying the digital media to raise income and self-adaptation amongst the emerging crises.
- Central Pattana values the organization's leaders. The Nomination and Remuneration Committee recruits appropriate persons and oversees succession plans for high-ranking executives, especially the President and CEO, in order to keep business uninterrupted.

2. Risk Assessment

The Company commanded risk assessment under the COSO ERM 2017 scope, as detailed in Chapter 18 Risk Management. Its overall actions were summarized below:

- Central Pattana's performance successfully met the requirement of accounting standards verified by a certified external auditor in writing. This reassures the material accuracy of financial reports identifying the rights or obligations of the Company in a transparent and comprehensive manner, and the disclosure of financial reports in a complete and accurate manner.
- Risk management came under the oversight of the Risk Policy Committee, with the Risk Management Committee in charge of reviewing and assessing comprehensive risks (internal and external) alongside fraud-corruption risk assessment. Monitoring of risk management actions was also in place at the corporate and departmental levels. In 2020, the Company reviewed key risks by considering external factors, internal management, and effects in different aspects. New risks are divided into strategic risks and operational risks. In reviewing risks, Central Pattana pays attention to the impact of COVID-19. The Risk Management Department reports the situation at the Risk Management Committee meeting and the Risk Policy Committee meeting quarterly.

3. Control Activities

Central Pattana controlled its performance efficiently to mitigate risks to manageable levels. Key activities are summarized below:

- In place were policies and operating procedures for suitable internal control, covering key processes, including transactions with the major shareholder, directors, management, or their related parties; transaction approval procedures, such as on finance, procurement and general administration; suitable role separation; the stipulation of policies ranging from the Anti-corruption Policy and Measure, the Managing Conflict of Interest Policy as well as practices on connected transactions as guidelines for the Company's personnel; and, the communications on such policies and practices towards business partners and stakeholders via the Company's website and the Intranet to Communicate with the Company's personnel.

- International standards, including ISO 14001, ISO 50001, ISO 20121, and ISO 45001, and information system-related work were complied with. the Company commanded system security control activities through its information security policy and information security standards, contained in the Code of Conduct and Corporate Governance Handbook (Attachment 5); and, the operation was audited by the IT Audit to improve internal control activities of the information system.

4. Information & Communication

Central Pattana commanded an efficient information and communication system, as summarized below:

- Central Pattana provides material information, whether financial information or others, sufficiently for the Board to decide. Before the meeting, the Board is informed in writing for a specific period as stipulated by law. In 2020, the country faced two major events, the COVID-19 outbreak and political demonstration. Therefore, the management team responded to the crisis and reported to the Committee periodically.
- The Company has adopted both internal and external communication via the Intranet and Central Pattana's website for those interested in its information and news, together with complaint channels for fraud, misconduct, and violation of rules. This year the Company improved its online complaint system, emphasizing privacy and protection of complainants, including more efficient progress updating and monitoring.
- For data security, the Company has assigned the Board to oversee and define the policy and procedures for maintaining data confidentiality, integrity, and availability as well as the management of market-sensitive information which may affect the security price. It also ensured that the directors, top management, employees, and related external parties conform to data security systems.

- The Company's key documents are stored systematically and well organized. The Company has developed more electronic document storage for fastest document search, and prevention of document loss.

5. Monitoring Activities

The Company commanded adequately efficient and suitable monitoring system, as summarized below:

- In place was the monitoring to ensure that operating results align with business goals through ten Board meetings during the year. If performance outcomes differed from such goals, the Company required correction within due time; for this purpose, line superiors monitored progress and regularly reported it to the Management Committee meetings. Besides, the Company has put in place regular audit of compliance with the internal control system, conducted by The Internal Audit Office, directly reported to the Audit and Corporate Governance Committee through 11 meetings in 2020. The Internal Audit Office was continually encouraged to self-develop to observe work compliance with international standards.
- In place were clear policies and communication channels for the management to promptly report to the Audit and Corporate Governance Committee and the Board. This was communicated under "Anti-corruption Measures", available on the Company's website, upon discovery of fraud or suspected fraud or in case of violation of laws and other irregular actions.

Head of Internal Audit

The current Head of Internal Audit is Ms. Nonglak Sriwongphanawes, Vice President, The Internal Audit Office, who gains 19 years of internal audit experience in the same or similar business to the Company. She possesses good understanding of Central Pattana's activities and operations. For qualifications and experience of the Head of Internal Audit Office, please see detail in "Attachment 3" on the Company's website.

Connected Transactions

The Company may need to enter into related transactions with a connected party or a party with conflicting interests, who stands to gain or loss, or with any other type of conflict. Under such circumstances, the Company shall adopt a policy in relation to related transactions as long as the Company opines that such related transactions will be of the utmost benefit to the Company, having regard to the situation at the time of the transactions. In this regard, conditions based on the general commercial conditions and market price shall be prescribed, which can be compared to the price and conditions prescribed in the case of other unrelated party or business (Fair and at arm's length).

In addition, the Audit and Corporate Governance Committee and the Board of Directors will work together to ensure that the related transactions are made in accordance with the law regarding the securities and exchange law, the regulations of the Stock Exchange of Thailand, and any disclosure

obligations in relation to any connected transactions of the Company or its subsidiaries. Nonetheless, the Company must ensure that the Audit and Corporate Governance Committee will issue its opinion and view on the necessity and appropriateness of each transaction entered into by the Company. Such information will then be used to assist in the decision-making by the Board of Directors or Shareholders as the case may be. In an event the matter is proposed to the Shareholders' meeting for its consideration to approve related transactions, the Company will arrange for an independent financial advisor to be appointed to prepare a report and offer opinion and view on the transactions to the Shareholders.

The Company will disclose such details of related transactions in the financial statement verified by the Company's auditor. The disclosure for the past three years and more is available on the Company's website.

The Company has business transactions with its related parties, whereby the details of such relationship between the Company and related companies considered in aspect of being major shareholder and some common directors (excluding subsidiaries, associates and joint ventures) as of December 31, 2020 are as follows:

- Central Holding Co., Ltd.
- Central Department Store Co., Ltd.
- Hang Central Department Store Co., Ltd.
- Central Trading Co., Ltd.
- Central Super Store Co., Ltd.
- Power Buy Co., Ltd.
- CRC Sport Co., Ltd.
- CRC Power Retail Co., Ltd.
- B2S Co., Ltd.
- Office Club (Thai) Co., Ltd.
- Earth Care Co., Ltd.
- CR Chiangmai (Thailand) Co., Ltd.
- Central Garment Factory Co., Ltd.
- Samsonite (Thailand) Co., Ltd.
- Central Plaza Hotel Public Company Limited
- Central World Hotel Co., Ltd.
- Central Restaurant Group Co., Ltd.
- Central Food Retail Co., Ltd.
- Food Gimmick Co., Ltd.
- Sakura Restaurant Co., Ltd.
- Food Excellent Co., Ltd.
- Central International Development Co., Ltd.
- Robinson Public Company Limited
- Central Watson Co., Ltd.
- F&D International Co., Ltd.
- Food Festival Co., Ltd.
- Food Millennium Co., Ltd.
- Central Retail Corporation Co., Ltd.
- Square Ritz Plaza Co., Ltd.
- Vantage Ground Co., Ltd.
- Bara, Windsor & Co., Ltd.
- Spaghetti Factory Co., Ltd.
- CMG Marketing Co., Ltd.
- CRC Thai Watsadu Co., Ltd.
- Zen Restaurant Holding Co., Ltd.
- CRG International Food Co., Ltd.
- Food Passion Co., Ltd.
- Super Assets Co., Ltd.
- CKS Holding Co., Ltd.
- Grand Fortune Co., Ltd.
- Zen Corporation Group Public Company Limited
- Mitsubishi Estate Asia Pte. Ltd.

Connected Transactions with Related Parties

Can be summarized as follows:

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 2020 was Baht 4,202 mn.

Justification and Rationale for Connected Transactions

The Company's core business is the provision of space for rent and services in shopping complexes, office buildings, food centers, hotels, and residences 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, including department stores, supermarkets, retail shops, and various leading branded restaurants. In addition, businesses under popular brands, including department stores, supermarkets, retail shops and restaurants, can draw more customers to the Company's shopping complexes. This, as a consequence, produces higher returns to the Company 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, utility fees and property taxes** 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, Central Pattana'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, sales promotion expenses, warrant fees, and other service fees from tenants in shopping complexes. The Company'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 Central Pattana and other companies in the Central Group have a project on the same piece of land, taking into account the marketing advantage and the appropriate 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 the Securities and Exchange Commission ("SEC"), the Stock Exchange of Thailand ("SET") and other related regulators and transactions concerning revenue from land leases are verified by the auditor on an annual basis.
- 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. Transactions in this category are verified by the auditor on an annual basis.

2. Expenses Paid to Connected Parties

Comprise expenses for space rental in shopping complexes, land rental, and management fees. In 2020, the Company paid altogether Baht 614 mn to connected parties.

Justification and Rationale for Connected Transactions

- Rental of land from connected businesses occurs in projects where Central Pattana 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, a 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 regulators. Transactions in this category are verified by the auditor on an annual basis.
- Large space rental in shopping complexes occurs in projects where Central Pattana 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, Central Pattana 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 Central Pattana 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. Transactions in this category are verified by the auditor on an annual basis.

- Hiring a connected business as management consultant the Company'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.

3. Loans between Central Pattana and Connected Parties

Justification and Rationale for Connected Transactions

Policies on loans between Central Pattana and connected parties. All loans must comply with the following policies on loans between Central Pattana and connected parties:

- Central Pattana and subsidiaries (those with 99.99% shares held by Central Pattana)
Central Pattana allows subsidiaries to borrow from Central Pattana and vice versa if the subsidiaries have working

capital surplus and Central Pattana needs such capital. In this case, current accounts are set up with Central Pattana 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 top management in Finance & Accounting, and the President & CEO, respectively.

- Central Pattana and joint-venture partners (those with 50 to 99.99% shares held by Central Pattana)
Central Pattana 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 Central Pattana. Approval is needed from the top management in 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 both fixed rate and floating rate.

- Central Pattana and associated companies (those with less than 50% shares held by Central Pattana or connected parties)
Central Pattana has no policy to grant loan to associated companies, with Central Pattana holding less than 50% shares, or connected parties. The Company does not lend associated companies or connected parties, according to Central Pattana's regulations. If a loan is granted 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 Central Pattana and Connected Parties

Description as of December 31, 2020	Amount (mn Baht)	Remarks
1. Loans		
- Loans obtained from subsidiaries	18,120	Separate Financial Statements
- Loans obtained from the Company and related parties	951	Consolidated Financial Statements
2. Loans		
- Loans granted to subsidiaries	30,359	Separate Financial Statements
- Loans granted to related parties	932	Consolidated Financial Statements

4. Guarantees for Loans for Connected Parties

Justification and Rationale for Connected Transactions

Central Pattana'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, Central Pattana does provide guarantees as its parent company, and collects commissions from subsidiaries for such guarantees.

As of December 31, 2020, the Company had loan ceiling guarantees for subsidiaries' guarantees given to Thai commercial banks amounted to Baht 573 mn.

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 Company Secretary Office taking charge of compliance with SET regulations as well as occasionally collecting and summarizing connected transactions for the Audit and Corporate Governance Committee's acknowledgment. Central Pattana has announced its "Connected Transaction Policy" and communicated to all relevant parties for compliance. Directors 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 Internal Audit Office and the external auditor 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 the 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 Central Pattana'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. Central Pattana'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 Central Pattana, 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 Renting/Leasing

Principles: Central Pattana 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:

- Central Pattana 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

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: Central Pattana 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, 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 clients” 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 Central Pattana’s successful operation. As a result, Central Pattana remains the source of continually connected transactions. For price and condition deliberation, Central Pattana 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. 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, Central Pattana 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.





LR Independent Assurance Statement

Relating to Central Pattana Public Company Limited's Annual Report (Sustainability part) for the calendar year 2020

This Assurance Statement has been prepared for Central Pattana Public Company Limited's in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

Lloyd's Register Quality Assurance Ltd. (LR) was commissioned by Central Pattana Public Company Limited (Central Pattana) to provide independent assurance on its Annual Report (Sustainability part) 2020 "the report" against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LR's verification approach. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000¹ and uses the following principles of - inclusivity, materiality, responsiveness and reliability of performance data.

Our assurance engagement covered Central Pattana's subsidiaries in Thailand under its direct operational control only, and specifically the following requirements:

- Confirming that the report is in accordance with:
 - GRI Standards (2016) and core option
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below: ¹
 - Environmental: (GRI 302-1) Energy consumption, (GRI 302-3) Energy intensity, (GRI 303-3 to 5) Water withdrawal /discharge and consumption (2018 edition), (GRI 305-1) Direct (Scope 1), (GRI 305-2) Energy indirect (Scope 2), (GRI 305-3) Other indirect (Scope 3) GHG emissions, (GRI 305-4) GHG emissions intensity and (GRI 306- 3 to 5) Waste generated/diverted from disposal and direct to disposal (2020 edition)
 - Social: (GRI 403-9) Types of injury and Lost-time injuries frequency rate (LTIFR), DART (Day Away/ Restricted or transfer rate), lost workday rate, occupational diseases and absenteeism, and number of work-related fatalities for all employees and contractor at construction and reconstruction sites. (2018 edition)

Our assurance engagement excluded the data and information of Central Pattana's subsidiaries where it has no operational control and all its operations and activities outside of Thailand. Our assurance engagement also excluded the data and information of its suppliers and any third-parties mentioned in the report.

LR's responsibility is only to Central Pattana. LR disclaims any liability or responsibility to others as explained in the end footnote. Central Pattana's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Central Pattana.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that Central Pattana has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LR's approach

LR's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing Central Pattana's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this by interviewing Central Pattana's Management who engage directly with stakeholder groups as well as reviewing documents and associated records.

¹ GHG quantification is subject to inherent uncertainty.



Reviewing Central Pattana's process for identifying and determining material issues to confirm that the right issues were included in their report. We did this by benchmarking reports written by Central Pattana and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether Central Pattana makes informed business decisions that may create opportunities which contribute towards sustainable development.

- Auditing Central Pattana's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling process, and systems, including those for internal verification. We also spoke with key people in various departments responsible for compiling the data and drafting the report.
- Sampling of evidences presented at Central Chaengwattana, Central Pinklao, Central Ubon and Central Village to confirm the reliability of the selected topic specific standards.

Observations

Further observations and findings, made during the assurance engagement, are:

- **Stakeholder Inclusivity:**
We are not aware of any key stakeholder groups that have been excluded from Central Pattana's stakeholder engagement process. However, we believe that Central Pattana's engagement process should move further regarding impacts of stakeholders.
- **Materiality:**
We are not aware of any material aspects concerning Central Pattana's sustainability performance that have been excluded from the Report. Central Pattana has processes for determining which issue/aspect is material and that these criteria are not biased to the Central Pattana's management.
- **Responsiveness:**
Central Pattana have processes for responding to various stakeholder groups. However, we believe that future Reports should provide more information regarding OH&S statistics of visitors and contractors.
- **Reliability:**
Central Pattana has a well-defined data management system to consolidate data and information associated with the selected specific topic standards. Maintaining internal verification processes will continually improve the reliability of its reported data and information.

LR's standards, competence and independence

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Dated: 7 March 2021

Opart Charuratana
LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Ltd.
Lloyd's Register International (Thailand) Limited
22th Floor, Sirinrat Building, 3388/78 Rama IV Road
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LRQA reference: BGK00000581

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CENTRAL PATTANA

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Financial Report 2020
(56-1 One Report)

Central Pattana Public Company Limited

Location	32 nd Floor, Central World Offices, 999/9 Rama I Road, Patumwan Sub-District, Patumwan District, Bangkok 10330, Thailand
Telephone	+66 (0) 2667 5555
Corporate Website	www.centralpattana.co.th
Registration No.	0107537002443
Establishment	June 17, 1980
Listed on the Stock Exchange of Thailand (SET)	March 1, 1995
Business Overview	Develop and invest in retail property for rent comprising large-scale shopping centers and other related and supportive businesses, such as office buildings, hotels, residential development and food court. In addition, the Company invests in CPN Commercial Growth Leasehold Property Fund (CPNCG) and CPN Retail Growth Leasehold REIT (CPNREIT), and is the property manager and REIT manager.
Contacts	Company Secretary Telephone: +66 (0) 2667 5555 Ext. 1665 1684 1685 1686 and 1687 Email: co.secretary@centralpattana.co.th Investor Relations Telephone: +66 (0) 2667 5555 Ext. 1614 1632 and 1688 Email: ir@centralpattana.co.th
Shareholders' Meeting	The Annual General Meeting (AGM) will be held on April 30, 2021 at 2.00 p.m. via electronics means (E-AGM).

CENTRALPATTANA

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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, 2020.

Mr. Suthichai Chirathivat
Chairman

Mr. Preecha Ekkunagul
Director
President & CEO

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 2020, 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 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition	
Refer to Note 4 (s) and 5 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>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. In 2020, the Group considered to provide rental discounts to tenants in shopping centers that has effect from the COVID-19 outbreak. Such transactions were lease modification and had material amounts.</p> <p>Consequently, the accuracy and completeness of revenue recognition relating to tenancy agreements and service agreements are areas of focus for my audit.</p>	<p>Audit procedures included:</p> <ul style="list-style-type: none"> - understanding the revenue recognition process by inquiring 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 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 approval 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 processes, 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 testing of 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 comparing contractual terms and conditions stipulated in the lease agreements with related documents including discount, collection; and - assessing the adequacy of the disclosure in accordance with the related Thai Financial Reporting Standards.

Emphasis of Matter

- 1) I draw attention to note 3 to the financial statements which describe the impact of the adoption of certain new accounting policies from 1 January 2020 on the Group.
- 2) I draw attention to note 5 to the financial statements which describe the impact of the COVID-19 outbreak on the Group's and the Company's business together with management's plan to address these circumstances, and the adoption of the guidance on temporary accounting relief measures providing additional accounting options for the treatment of the impact of COVID-19 outbreak in the financial statements for the year ended 31 December 2020.

My opinion is not modified in respect of those matters.

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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Vannaporn Jongperadechanon)
Certified Public Accountant
Registration No. 4098

KPMG Phoomchai Audit Ltd.
Bangkok
18 February 2021

Central Pattana Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current assets					
Cash and cash equivalents	7	7,218,687,997	2,053,237,349	6,156,826,415	649,670,842
Trade accounts receivable	6, 31	3,571,263,150	1,355,706,522	2,387,223,030	997,821,590
Other receivables	6	2,057,258,780	3,606,333,839	1,153,827,033	1,520,065,160
Real estate development for sales	8, 18	9,032,387,201	8,361,607,398	-	-
Short-term loans to related parties	6	-	-	83,212,196	32,176,407
Other current financial assets - investments in equity and debt instruments (2019: Current investments)	31	2,006,244,162	1,001,374,831	426,500,747	537,300,004
Total current assets		23,885,841,290	16,378,259,939	10,207,589,421	3,737,034,003
Non-current assets					
Other non-current financial assets - investments in equity and debt instruments (2019: Long-term investments in related parties and other long-term investments)	31	1,955,956,969	1,756,375,684	1,187,909,480	1,494,028,984
Restricted bank deposits	18	1,000,000	1,000,000	-	-
Investments in subsidiaries and fund	10	-	-	30,653,089,348	28,022,904,562
Investments in associates	9	5,730,869,437	7,357,462,849	7,963,673,686	7,886,680,686
Investments in joint ventures	9	2,454,331,140	4,809,159,317	318,689,900	287,324,900
Advance payment for shares	6	-	2,309,616,000	-	2,309,616,000
Finance lease receivable	6, 33	16,397,781,538	-	-	-
Long-term loans to related parties	6	932,282,123	5,166,689,978	31,050,237,874	23,014,714,771
Investment properties	12, 18	159,982,702,777	104,503,446,798	82,639,887,483	35,146,877,316
Property, plant and equipment	13, 18	3,241,510,575	1,596,512,025	546,389,601	464,352,353
Goodwill	15	1,036,491,639	1,036,491,639	-	-
Leasehold rights	16, 18	-	20,782,536,590	-	11,135,836,612
Guarantees for sublease property agreement	6	-	-	-	9,000,000,000
Deferred tax assets	28	3,392,385,670	2,226,344,210	2,107,949,533	993,043,494
Other non-current assets	6, 17	2,762,353,489	2,009,139,132	717,841,393	521,023,120
Total non-current assets		197,887,665,357	153,554,774,222	157,185,668,298	120,276,402,798
Total assets		221,773,506,647	169,933,034,161	167,393,257,719	124,013,436,801

The accompanying notes form 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	
Liabilities and equity	Note	2020	2019	2020	2019
		(in Baht)			
Current liabilities					
Short-term loans from financial institutions	18	11,732,000,000	4,970,000,000	11,182,000,000	3,600,000,000
Trade accounts payable	6	911,171,489	1,694,324,758	402,231,841	865,741,094
Other payables	6, 19	4,913,224,111	5,563,848,687	2,295,636,872	2,441,619,212
Current portion of lease liabilities		2,111,591,362	-	1,870,787,415	
Short-term loans from related parties	6, 18	226,249,340	125,761,218	10,504,749,722	9,861,746,046
Current portion of long-term loans	18	6,172,903,428	3,769,203,285	5,009,903,428	2,369,203,285
Current portion of advance received from rental income	6	1,905,361,362	1,842,399,134	238,122,008	232,756,104
Income tax payable		483,540,665	921,155,034	129,521,515	304,363,662
Contractor payables		2,098,047,208	2,188,285,081	785,080,169	689,210,346
Total current liabilities		30,554,088,965	21,074,977,197	32,418,032,970	20,364,639,749
Non-current liabilities					
Long-term loans from related parties	6, 18	724,338,063	692,724,451	7,615,430,893	8,105,328,264
Long-term loans	18	27,630,459,673	24,470,814,350	24,062,613,467	19,480,968,144
Lease liabilities	6	43,486,788,889	-	30,390,016,513	-
Deferred tax liabilities	28	2,623,959,102	1,974,785,570	-	-
Advance received from rental income	6, 33	30,649,055,873	32,292,675,950	3,927,941,810	3,946,068,786
Deposits received from customers	6	7,865,714,904	8,027,661,841	4,672,980,251	3,760,455,004
Non-current provisions for employee benefits	20	730,904,814	649,366,793	583,220,761	517,839,842
Provision for decommissioning and restoration		384,188,218	287,057,469	278,633,045	287,057,470
Guarantees received for leasehold rights	6	707,362	707,362	-	-
Total non-current liabilities		114,096,116,898	68,395,793,786	71,530,836,740	36,097,717,510
Total liabilities		144,650,205,863	89,470,770,983	103,948,869,710	56,462,357,259

Central Pattana Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
		(in Baht)			
Equity					
Share capital					
Authorised share capital					
(4,488,000,000 ordinary shares, par value at Baht 0.5 per share)		2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Issued and paid-up share capital					
(4,488,000,000 ordinary shares, par value at Baht 0.5 per share)		2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Premium on ordinary shares	21	8,558,557,850	8,558,557,850	8,558,557,850	8,558,557,850
Retained earnings					
Appropriated					
Legal reserve	23	224,400,000	224,400,000	224,400,000	224,400,000
Unappropriated		58,695,563,519	61,457,082,400	53,566,498,768	56,666,056,436
Treasury shares	22	(761,216,026)	-	(761,216,026)	-
Other components of equity	23	(171,256,961)	(355,632,169)	(387,852,583)	(141,934,744)
Equity attributable to owners of the parent		68,790,048,382	72,128,408,081	63,444,388,009	67,551,079,542
Non-controlling interests	11	8,333,252,402	8,333,855,097	-	-
Total equity		77,123,300,784	80,462,263,178	63,444,388,009	67,551,079,542
Total liabilities and equity		221,773,506,647	169,933,034,161	167,393,257,719	124,013,436,801

The accompanying notes form 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		For the year ended	
		31 December		31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Revenue					
Revenue from rental and services	6, 24	24,848,318,512	31,843,166,597	13,642,321,554	16,222,490,322
Revenue from food center services	6, 24	446,087,025	851,460,677	169,233,861	333,825,349
Revenue from hotel operation	24	306,073,926	1,120,527,271	-	-
Revenue from sale of real estate	24	2,261,550,432	2,904,236,972	-	-
Investment income	6	1,098,703,393	187,169,749	2,948,987,809	15,550,850,092
Other income	6, 25	4,200,381,217	1,683,415,423	1,454,660,417	2,028,045,346
Total revenue		33,161,114,505	38,589,976,689	18,215,203,641	34,135,211,109
Expenses					
Cost of rental and services	6	13,055,138,129	15,480,793,657	8,363,191,878	8,650,472,549
Cost of food center services	6	303,888,654	393,999,648	100,715,275	145,721,989
Cost of hotel operation		166,181,377	378,503,657	-	-
Cost of sale of real estate		1,511,846,567	1,833,045,051	-	-
Administrative expenses	6	5,535,522,280	6,838,814,813	3,542,245,095	4,498,908,542
Total expenses		20,572,577,007	24,925,156,826	12,006,152,248	13,295,103,080
Profit (loss) from operating activities					
Finance costs	6	(1,864,971,756)	(811,468,750)	(2,062,521,895)	(1,183,462,145)
Share of profit of subsidiaries, joint ventures and associates accounted for using equity method	9	1,041,591,853	1,292,258,297	-	-
Profit before income tax expense		11,765,157,595	14,145,609,410	4,146,529,498	19,656,645,884
Tax expense	28	(2,148,442,833)	(2,336,357,717)	(385,522,938)	(1,041,171,683)
Profit for the year		9,616,714,762	11,809,251,693	3,761,006,560	18,615,474,201
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		22,337,440	(176,866,113)	-	-
Gain on measurement of financial assets	28	-	71,566,027	-	70,596,239
Total items that will be reclassified subsequently to profit or loss		22,337,440	(105,300,086)	-	70,596,239
Items that will not be reclassified to profit or loss					
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	28	161,354,598	-	(245,917,839)	-
Total items that will not be reclassified to profit or loss		161,354,598	-	(245,917,839)	-
Other comprehensive income (expense) for the year, net of tax		183,692,038	(105,300,086)	(245,917,839)	70,596,239
Total comprehensive income for the year		9,800,406,800	11,703,951,607	3,515,088,721	18,686,070,440

The accompanying notes form 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		For the year ended	
		31 December		31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Profit attributable to:					
Owners of the parent		9,557,096,859	11,738,404,950	3,761,006,560	18,615,474,201
Non-controlling interests	11	59,617,903	70,846,743	-	-
Profit for the year		9,616,714,762	11,809,251,693	3,761,006,560	18,615,474,201
Total comprehensive income (expense) attributable to:					
Owners of the parent		9,741,472,067	11,690,846,511	3,515,088,721	18,686,070,440
Non-controlling interests	11	58,934,733	13,105,096	-	-
Total comprehensive income for the year		9,800,406,800	11,703,951,607	3,515,088,721	18,686,070,440
Basic earnings per share (in Baht)	29	2.13	2.62	0.84	4.15

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

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

	Consolidated financial statements											
	Other components of equity											
	Other comprehensive income										Total equity	
	Issued and paid share capital	Share premium	Retained earnings		Unappropriated	Exchanges on translating financial statements	Gain (loss) on measuring financial assets	Surplus on business combination under common control	Total other components of equity	Equity attributable to owners of parent		Non-controlling interests
Legal reserve												
Year ended 31 December 2019												
Balance at 1 January 2019	2,244,000,000	8,558,557,850	224,400,000	55,007,135,395		(52,507,608)	(201,194,346)	(54,371,775)	(308,073,729)	65,726,019,516	8,449,717,523	74,175,737,039
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the parent</i>												
Issued of ordinary shares	-	-	-	-	-	-	-	-	-	-	(24,316,290)	(24,316,290)
Dividends to owners of the Company	-	-	-	(4,936,595,279)		-	-	-	-	(4,936,595,279)	(78,732,000)	(5,015,327,279)
Total distributions to owners of the parent	-	-	-	(4,936,595,279)		-	-	-	-	(4,936,595,279)	(103,048,290)	(5,039,643,569)
<i>Changes in ownership interests in subsidiaries</i>												
Acquisition of non-controlling interests without a change in control	-	-	-	(351,862,666)		-	-	-	-	(351,862,666)	(25,919,233)	(377,781,899)
Total changes in ownership interests in subsidiaries	-	-	-	(351,862,666)		-	-	-	-	(351,862,666)	(25,919,233)	(377,781,899)
Total transactions with owners, recorded directly in equity												
	-	-	-	(5,288,457,945)		-	-	-	-	(5,288,457,945)	(128,967,523)	(5,417,425,468)
Comprehensive income for the year												
Profit	-	-	-	11,738,404,950		-	-	-	-	11,738,404,950	70,846,743	11,809,251,693
Other comprehensive income	-	-	-	-		(119,124,467)	71,566,027	-	(47,558,440)	(47,558,440)	(57,741,646)	(105,300,086)
Total comprehensive income for the year	-	-	-	11,738,404,950		(119,124,467)	71,566,027	-	(47,558,440)	11,690,846,510	13,105,097	11,703,951,607
Balance at 31 December 2019	2,244,000,000	8,558,557,850	224,400,000	61,457,082,400		(171,632,075)	(129,628,319)	(54,371,775)	(355,632,169)	72,128,408,081	8,333,855,097	80,462,263,178

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

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

Consolidated financial statements												
		Other components of equity										
		Exchange differences on translating financial statements	Fair value reserve	Surplus on business combination under common control	Total other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity				
		(in Baht)										
Note	Issued and paid share capital	Share premium	Retained earnings		Treasury shares							
			Legal reserve	Unappropriated								
Year ended 31 December 2020												
	2,244,000,000	8,558,557,850	224,400,000	61,457,082,400	-	(171,632,075)	(129,628,319)	(54,371,775)	72,128,408,081	8,333,855,097	80,462,263,178	
3		-	-	(8,742,026,084)	-	-	-	-	(8,742,026,084)	(2,675,118)	(8,744,701,202)	
	2,244,000,000	8,558,557,850	224,400,000	52,715,056,316	-	(171,632,075)	(129,628,319)	(54,371,775)	63,386,381,997	8,331,179,979	71,717,561,976	
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the parent												
22	-	-	-	-	(761,216,026)	-	-	-	(761,216,026)	-	(761,216,026)	
30	-	-	-	(3,576,589,656)	-	-	-	-	(3,576,589,656)	(56,862,310)	(3,633,451,966)	
Total contributions by and distributions to owners of the parent										(56,862,310)	(4,394,667,992)	
Comprehensive income for the year												
	-	-	-	9,557,096,859	-	-	-	-	9,557,096,859	59,617,903	9,616,714,762	
	-	-	-	-	-	23,020,610	161,354,598	-	184,375,208	(683,170)	183,692,038	
Total comprehensive income for the year										58,934,733	9,800,406,800	
Balance at 31 December 2020										68,790,048,382	8,333,252,402	77,123,300,784

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

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

	Separate financial statements				Other component of equity
	Retained earnings			Gain (loss) on measuring financial assets	
	Issued and paid share capital	Share premium	Legal reserve	Unappropriated (in Baht)	Total equity
Year ended 31 December 2019					
Balance at 1 January 2019	2,244,000,000	8,558,557,850	224,400,000	42,987,177,514	(212,530,983)
					53,801,604,381
Transactions with owners, recorded directly in equity					
Distributions to owners of the parent					
Dividends to owners of the Company	-	-	-	(4,936,595,279)	-
Total transactions with owners, recorded directly in equity	-	-	-	(4,936,595,279)	(4,936,595,279)
Comprehensive income for the year					
Profit	-	-	-	18,615,474,201	-
Other comprehensive income	-	-	-	-	70,596,239
Total comprehensive income for the year	-	-	-	18,615,474,201	70,596,239
					18,686,070,440
Balance at 31 December 2019	2,244,000,000	8,558,557,850	224,400,000	56,666,056,436	(141,934,744)
					67,551,079,542

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

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

		Separate financial statements					Other component of equity	
		Issued and paid share capital	Share premium	Legal reserve	Retained earnings	Treasury shares	Fair value reserve	Total equity
	Note				(in Bahr)			
Year ended 31 December 2020								
Balance at 31 December 2019 - as reported		2,244,000,000	8,558,557,850	224,400,000	56,666,056,436	-	(141,934,744)	67,551,079,542
Impact of changes in accounting policies		-	-	-	(3,283,974,572)	-	-	(3,283,974,572)
Balance at 1 January 2020		2,244,000,000	8,558,557,850	224,400,000	53,382,081,864	-	(141,934,744)	64,267,104,970
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the parent								
Treasury shares purchased		-	-	-	-	(761,216,026)	-	(761,216,026)
Dividends to owners of the Company		-	-	-	(3,576,589,656)	-	-	(3,576,589,656)
Total transactions with owners, recorded directly in equity		-	-	-	(3,576,589,656)	(761,216,026)	-	(4,337,805,682)
Comprehensive income for the year								
Profit		-	-	-	3,761,006,560	-	-	3,761,006,560
Other comprehensive income		-	-	-	-	-	(245,917,839)	(245,917,839)
Total comprehensive income for the year		-	-	-	3,761,006,560	-	(245,917,839)	3,515,088,721
Balance at 31 December 2020								
		2,244,000,000	8,558,557,850	224,400,000	53,566,498,768	(761,216,026)	(387,852,583)	63,444,388,009

The accompanying notes form 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	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	9,616,714,762	11,809,251,693	3,761,006,560	18,615,474,201
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Real estate development for sales decrease from				
transfer to cost of sales	1,511,846,567	1,833,045,051	-	-
Depreciation and amortisation expenses	7,906,273,454	7,116,898,885	5,025,903,078	3,126,548,615
Investment income	(1,098,703,393)	(187,169,749)	(2,948,987,809)	(15,550,850,092)
Finance costs	1,864,971,756	811,468,750	2,062,521,895	1,183,462,145
(Reversal of) impairment loss recognised in profit or loss	21,644,864	(15,505,315)	12,427,979	(5,797,787)
Loss on write-off of investment properties	108,111	56,981,896	55,329	10,097,854
Gain on sale of other non-current financial assets - investments in equity instruments	-	(48,941,617)	-	(48,941,617)
Gain on sale of other current financial assets - investments in debt instruments	(12,136,830)	(6,773,793)	(10,828,596)	(6,449,377)
(Gain) loss on sales of assets	(2,569,655,733)	(1,651,964)	4,200,523	1,940,977
Recognition of advance received from rental income	(2,371,297,395)	(1,878,052,127)	(237,770,142)	(221,307,371)
Non-current provisions for employee benefits	89,869,818	201,691,121	71,237,469	161,729,789
Share of profit of associates and joint ventures				
accounted for using equity method	(1,041,591,853)	(1,295,501,982)	-	-
Unrealised (gain) loss on exchange rate	(1,564,287)	33,609,677	-	-
Unrealised loss from financial instruments	79,408,383	192,118,451	-	-
(Gain) loss on fair value adjustment - investments in debt instrument	2,747,721	-	(45,775)	-
Tax expense	2,148,442,833	2,336,357,717	385,522,938	1,041,171,683
	16,147,078,778	20,957,826,694	8,125,243,449	8,307,079,020
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(2,237,201,492)	(61,576,100)	(1,401,829,419)	(154,685,158)
Other receivables	1,359,658,505	(557,802,649)	366,451,762	(371,507,438)
Real estate development for sales	(2,075,105,779)	(1,981,901,213)	-	-
Other non-current assets	(1,934,017,910)	614,300,093	75,893,000	(77,065,754)
Trade accounts payable	(783,153,269)	(200,036,003)	(463,509,253)	46,466,546
Other payables	(1,265,459,390)	(719,231,428)	(1,018,658,142)	(281,584,155)
Advance received from rental income	790,639,546	1,982,646,600	225,009,070	1,670,240,626
Deposits received from customers	(161,946,937)	335,141,886	912,525,247	158,229,877
Provisions for employee benefit paid	(8,331,798)	(13,653,850)	(5,856,550)	(8,171,333)
Cash generated from operating	9,832,160,254	20,355,714,030	6,815,269,164	9,289,002,231
Tax paid	(2,070,794,583)	(2,584,463,889)	(876,927,659)	(1,011,133,105)
Net cash from operating activities	7,761,365,671	17,771,250,141	5,938,341,505	8,277,869,126

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	
	2020	2019	2020	2019
	(in Baht)			
<i>Cash flows from investing activities</i>				
Interest received	45,657,261	41,234,236	506,277,632	619,243,022
Dividends received	939,833,294	1,053,942,734	2,270,943,889	15,069,828,537
Increase (decrease) in other current financial assets - investments in debt instruments	(993,414,399)	(947,371,608)	120,395,468	(483,696,024)
Acquisition of investments in subsidiaries, associates and joint ventures	(108,358,000)	(2,126,027,397)	(429,926,385)	(457,057,682)
Proceeds from disposal and redemption of investment in subsidiaries and associates	683,683,536	-	999,600	300,000
Advance payment for shares	-	(2,309,616,000)	-	(2,309,616,000)
Acquisition of other non-current financial assets - investments in equity instruments	-	(98,298,426)	-	(73,125,000)
Proceeds from sale of other non-current financial assets - investments in equity instruments	-	560,349,250	-	560,349,250
Repayments of loans to related parties	(568,731,667)	(551,299,493)	(13,904,742,686)	(17,041,303,614)
Proceeds from repayment of loans to related parties	169,810,000	-	5,989,782,592	10,238,284,064
Acquisition of investment properties	(6,430,363,103)	(6,282,122,909)	(2,116,905,320)	(948,387,196)
Acquisition of property and equipment	(468,160,473)	(211,075,777)	(128,454,208)	(136,837,230)
Acquisition of intangible assets	(15,569)	(3,676,086)	-	-
Acquisition of leasehold rights	-	(3,290,602,281)	-	(1,461,698,012)
Advance payment for purchase of investment properties and leasehold rights	(280,287,223)	(228,220,975)	(324,642,574)	(69,669,249)
Repayment of accounts payable for leasehold rights	-	(418,017,667)	-	-
Proceeds from sale of leasehold rights and investment properties	300,292,018	136,554,305	164,422,594	93,000,870
Repayment of guarantee for sublease property agreement	-	-	-	(9,000,000,000)
Repayment of contractor payables	(1,022,186,363)	(1,221,972,671)	(252,365,811)	(908,341,308)
Net cash used in investing activities	(7,732,240,688)	(15,896,220,765)	(8,104,215,209)	(6,308,725,572)
<i>Cash flows from financing activities</i>				
Proceeds from restricted bank deposits	-	10,222,888	-	-
Interest paid	(775,941,165)	(966,667,807)	(1,136,761,133)	(1,124,478,908)
Dividends paid to owners of the Company	(3,633,080,187)	(5,014,931,019)	(3,576,218,187)	(4,936,199,019)
Payment of lease liabilities	(2,164,921,112)	(2,709,608)	(1,820,802,078)	(1,852,916)
Proceeds from issuance of ordinary shares of subsidiaries to non-controlling interests	-	(377,481,898)	-	-
Payment of changes in ownership interest in subsidiaries without a change in control	-	(24,616,290)	-	-
Payment to owners to acquire the entity's shares	(761,216,026)	-	(761,216,026)	-
Proceeds from loans from related parties	115,350,000	1,228,327,392	3,918,391,396	7,037,890,496
Repayments of loans from related parties	-	(330,000,000)	(3,763,161,410)	(11,301,007,571)
Proceeds from loans from financial institutions and institutional investors	48,462,000,000	32,638,778,000	46,352,000,000	26,700,000,000
Repayments of loans from financial institutions and institutional investors	(36,128,203,285)	(29,826,878,273)	(31,539,203,285)	(19,705,028,571)
Net cash from (used in) financing activities	5,113,988,225	(2,665,956,615)	7,673,029,277	(3,330,676,489)

The accompanying notes form 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	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
Net increase (decrease) in cash and cash equivalents	5,143,113,208	(790,927,239)	5,507,155,573	(1,361,532,935)
Cash and cash equivalents at 1 January	2,053,237,349	3,021,030,701	649,670,842	2,011,203,777
Exchange differences on translating financial statements	22,337,440	(176,866,113)	-	-
Cash and cash equivalents at 31 December	<u>7,218,687,997</u>	<u>2,053,237,349</u>	<u>6,156,826,415</u>	<u>649,670,842</u>
<i>Non-cash transactions</i>				
Transferred advance payment for shares to investment in subsidiary	-	-	2,309,616,000	-
Contractor payables which payments have not yet been made	839,956,526	548,250,934	448,839,379	594,355,271
Trade accounts payable from real estate development for sales which payments have not yet been made	118,745,187	177,734,504	-	-
Borrowing costs relating to the acquisition of assets	198,672,017	164,421,292	7,350,090	6,068,736
Previously held equity interest	2,273,917,116	-	-	-
Received obligations from the Share Purchase Agreement	5,067,579,115	-	-	-

Central Pattana Public Company Limited and its Subsidiaries
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Central Pattana Public Company Limited and its Subsidiaries

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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 authorized for issue by the Board of Directors on 18 February 2021.

1 General information

The Company's major shareholder during the financial period was Central Holdings Company Limited (26.2% shareholding), which was incorporated in Thailand.

The principal businesses of the Company are developing new projects and managing projects as constructing office buildings and shopping centers for rent, providing utility services in shopping centers, sales of food and beverage and providing property management consulting and corporate services. Details of the Company's subsidiaries and fund, associates, joint venture entities and other related parties as at 31 December 2020 and 2019 are additionally given in notes 6, 9 and 10. Details are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2020	2019
			(%)	
<i>Direct subsidiaries</i>				
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.	(2) (6)	Thailand	44.0	44.0
Central Pattana Rattana Thibet Co., Ltd.	(1) (2) (4)	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.				
<i>(Under liquidation process)</i>	(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.				
<i>(Complete liquidation process)</i>	(9)	Thailand	-	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
CPN Estate Co., Ltd.	(6)	Thailand	100.0	100.0
CPN Residence Khon Kaen Co., Ltd.	(6)	Thailand	100.0	100.0
Suanlum Property Co., Ltd.	(1)	Thailand	78.0	78.0
Phraram 4 Development Co., Ltd.	(6)	Thailand	90.0	90.0
Saladang Property Management Co., Ltd.	(1)	Thailand	100.0	100.0
CPN REIT Management Co., Ltd.	(11)	Thailand	100.0	100.0
Dara Harbour Co., Ltd.	(6)	Thailand	65.0	65.0
CPN Pattaya Hotel Co., Ltd.	(7)	Thailand	100.0	100.0
Chanakun Development Co., Ltd.	(1)	Thailand	100.0	100.0
CPN Village Co., Ltd.	(1)	Thailand	70.0	70.0
Bayswater Co., Ltd.	(1)	Thailand	50.0	-

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2020	2019
			(%)	
Indirect subsidiaries				
Central Pattana Realty Co., Ltd	(2) (6)	Thailand	56.0	56.0
Central Pattana Nine Square Co., Ltd.	(1) (2)	Thailand	4.4	4.4
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
C.S. City Co., Ltd.	(1)	Thailand	100.0	100.0
CPN Residence Management Co., Ltd.	(12)	Thailand	100.0	100.0
CPN Ventures Sdn. Bhd.	(8)	Malaysia	100.0	100.0
Central Plaza i-City Real Estate Sdn. Bhd.	(6)	Malaysia	60.0	60.0
Grand Canal Land Public Company Limited	(1) (2) (3)			
	(4) (8)	Thailand	67.5	67.5
Belle Development Co., Ltd.	(1) (10)	Thailand	79.6	79.6
Belle Assets Co., Ltd.	(6)	Thailand	100.0	100.0
Sterling Equity Co., Ltd.	(1)	Thailand	100.0	100.0
G Land Property Management Co. Ltd.	(1)	Thailand	100.0	100.0
Rama 9 Square Co., Ltd.	(1)	Thailand	93.1	93.1
Rama 9 Square Hotel Co., Ltd.	(7)	Thailand	99.9	99.9
GLAND REIT Management Co., Ltd.				
(Under liquidation process)	(11)	Thailand	100.0	100.0
Ratchada Assets Holding Limited	(6)	Thailand	100.0	100.0
		British Virgin Islands		
Chipper Global Limited	(6)	Islands	100.0	100.0
Bayswater Co., Ltd.	(1)	Thailand	50.0	-
Fund				
Thai Business Fund 4	(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) Food center services
- (5) Operator of play land and water theme park on shopping centers
- (6) Investment in real estates
- (7) Hotel business
- (8) Property management consulting and corporate services
- (9) Training service and personnel development
- (10) Real estate business for sales of land and houses and condominium units
- (11) Management of a real estate investment trust
- (12) Management of condominium juristic person and housing estate juristic person

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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 and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3. In addition, the Group elected to adopt the guidance on temporary accounting relief measures providing additional options for the treatment of the impact of COVID-19 outbreak as disclosed in Note 5.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) *Functional and presentation currency*

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

(c) *Use of judgements, estimates and accounting policies*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

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

Note 4 (k) and 14 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;
- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to sub-lessees.

Note 5 Impact of COVID-19 Outbreak

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Note 4 (k)	Determining the incremental borrowing rate to measure lease liabilities;
Note 4 (u) and 28	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 4 (p)	Recognition and measurement of provisions;
Note 4 (o) and 20	Measurement of defined benefit obligations: key actuarial assumptions;
Note 5	Impact of COVID-19;
Note 8	Estimate of total development cost of real estate development for sale;
Note 8	Estimate of allowance for decline in value of real estate development for sale;
Note 15	Impairment test of goodwill: key assumptions underlying recoverable amounts;
Note 31	Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate; and
Note 31	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders' equity are as follows:

<i>Impact on changes in accounting policy</i>	<i>Note</i>	Consolidated	Separate
		financial statements	financial statements
		Retained earnings	Retained earnings
		<i>(in million Baht)</i>	
At 31 December 2019 - as reported		61,457	56,666
<i>Decrease due to:</i>			
Adoption of TFRS 16 - net of tax	<i>b</i>	(8,742)	(3,284)
At 1 January 2020 restated		52,715	53,382

A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4 (d) and 4 (l). The impact from adoption of TFRS - Financial instruments standards are as follows:

(a.1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

The Group and the Company intends to hold non-marketable equity securities amounted of Baht 123 million and Baht 1 million, respectively, for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

(a.2) Impairment - Financial assets

TFRS 9 introduces the 'expected credit loss' (ECL) model whereas previously the Group estimated the allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets, lease receivables and debt investments measured at FVOCI, except for investments in equity instruments.

(a.3) Derivatives

Under TFRS 9, all derivatives are measured at fair value in the statement of financial position.

B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

(1) As a lessee

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(2) As a lessor

The accounting policies under TFRS 16 that the Group applied as a lessor are not different from those under TAS 17, except for a sub-lease. Under TFRS 16, the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, the consideration received are allocated to each lease and non-lease component based on its stand-alone selling prices.

	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16</i>		
	<i>(in million Baht)</i>	
<i>At 1 January 2020</i>		
Increase in investment properties	56,431	30,000
Increase in property, plant and equipment	1,559	91
Decrease in leasehold rights	(20,783)	(11,136)
Increase in deferred tax assets	792	737
Increase in lease liabilities	46,744	22,904
Decrease in retained earnings	(8,742)	(3,284)
Decrease in non-controlling interests	(3)	-
<i>Measurement of lease liability</i>		
Operating lease commitment at 31 December 2019	71,282	31,637
Recognition exemption for - short-term leases	(8)	-
- leases of low-value assets	(10)	(3)
	71,264	31,634
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	46,744	22,904
Financial lease liabilities recognised as at 31 December 2019	-	-
Lease liabilities recognised at 1 January 2020	46,744	22,904
Weighted-average incremental borrowing rate (% per annum)	2.88	2.73

Right-of-use assets and lease liabilities shown above were presented as part of segment 1 and segment 2.

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(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.

Business combinations

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

The acquisition date is the date on which control is transferred to the acquirer.

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 at the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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

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

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

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.

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Notes to the financial statements

For the year ended 31 December 2020

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

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 initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

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Transactions eliminated on consolidation

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

(b) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

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

Disposal of investments in the separate financial statements

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

If the Company 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.

(c) Foreign currencies

Foreign currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

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

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

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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, 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.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Central Pattana Public Company Limited and its Subsidiaries

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For the year ended 31 December 2020

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Accounting policies applicable before 1 January 2020

Investments in subsidiaries and fund, associates and joint ventures

Investments in subsidiaries and fund, 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.

Investments in other debt and equity securities

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. 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 held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

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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.

Derivatives

Derivatives were recognised when they were exercised.

(e) 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.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Real estate development for sale

Real estate development for sale is real estate that is held with the intention to sell in the ordinary course of business. This real estate is measured at the lower of cost and net realisable value.

The cost of real estate development for sale comprises the cost of land, including acquisition costs, land improvement cost, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised as part of the cost of the property until the completion of development. Cost of real estate development for sale includes an allocation of common area property development expenditure based on saleable area.

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

When real estate development for sale are sold, the cost of that real estate is recognised as an expense in the period in which the related revenue is recognised.

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(h) Investment properties

Investment properties include properties that are held as right-of-use assets, as well as properties that are owned by the Group are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

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

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

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

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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No depreciation is provided on freehold land or assets under construction.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses

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

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

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

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.

Central Pattana Public Company Limited and its Subsidiaries
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Subsequent costs

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

Depreciation

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

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

Buildings and improvements	20 years
Furniture, fixtures, office and transportation equipment	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.

(j) Goodwill

Goodwill that arises upon the acquisition of subsidiaries. The measurement of goodwill at initial recognition. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

(k) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

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Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

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The Group recognises finance lease receivables at the amount of the Group's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease (See note 4(1)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Accounting policies applicable before 1 January 2020

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

Assets held under other leases were classified as operating leases and lease payments 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 expense, 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.

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

Determining whether an arrangement contains a lease

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

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

Leasehold rights

Leasehold rights are recorded at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is recognised in 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

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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 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.

(l) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instrument's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

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 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.

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Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the 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.

(m) Impairment of non-financial assets

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

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

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

(n) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(o) Employee benefits

Defined contribution plan

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.

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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.

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

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

Short-term employee benefits

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

(p) Provisions

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

(q) Fair value measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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 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 or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

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.

(r) *Treasury shares*

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity.

(s) *Revenue*

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Rental

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

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Service

Service income is recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates. Service income is recognised over time when services are render to customer.

Food center services

Revenue from food center services is recognised upon delivery of goods to customers. Where the Group acts as an agent in food center services, gross revenue consists of the Group's revenue together with the revenue accruing to the principals for which the Group acted as an agent.

Sale of real estate

Revenue from sale of real estate is recognised when a customer obtains control of the real estate in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any discounts and consideration payable to the customer.

For bundled packages, the Group accounts for individual real estate and other products separately if they are distinct and a customer can benefit from it separately. The consideration received is allocated based on their relative stand-alone selling prices.

Deposits and instalments received from customers on real estate sold prior to the date of revenue recognition are presented as contract liabilities in the statement of financial position. Deposits and instalments received from customers are recognised as revenue when the Group transfers control over the real estate to the customers. For advances that contain a significant financing component interest expense. Interest expense is recognized using the effective interest method. The Group uses the practical expedient which allows not to adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Investments

Revenue from investments dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

(t) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

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 periods of time to be prepared for its intended use or sale.

(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 or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

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

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

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

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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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) 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) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(x) 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.

5 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This event has affected to the Group's businesses as follows:

Rental and services in shopping centers, office buildings, and food center businesses

In March 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Group's shopping centers in the enforced locations for specific periods of time under each province order. The shopping centers remain to open the supermarket, restaurants and food center (take-away), and some businesses according to provincial government orders and in May 2020, the Group's shopping centers began to resume its businesses under provincial governments restriction.

In December 2020, there was the new infection of COVID-19 outbreak in Thailand. As a result, provincial governments decided to temporarily shut down the Group's shopping centers in each location and during the period specified by the provincial regulations such as CentralPlaza Mahachai and CentralPlaza Rayong. And in January 2021, some shopping centers of the Group that had been closed, starting to resumed its operations under by provincial governments restriction.

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The Group considered to provide rental discounts to tenants in the shopping centers that has effect in during temporarily shut down the shopping centers and after resumes its businesses. Such transactions were lease modification under TFRS 16 and gradually recognise rental discount throughout the remaining lease terms by straight line method. The Group recognised rental income from the lease modification for the year ended 31 December 2020 as follows:

<i>For the year ended 31 December 2020</i>	Consolidated financial statements <i>(in million Baht)</i>	Separate financial statements
<i>Recognised in profit or loss</i>		
Revenue from rental and services before adjustment according to TRFS 16	23,741	12,879
Impact of lease modification under TFRS 16	1,107	763
Revenue from rental and services after adjustment according to TFRS 16	24,848	13,642
Profit before adjustment according to TFRS 16 (before tax expense)	10,658	3,383
Profit after adjustment according to TFRS 16 (before tax expense)	11,765	4,146

Hotel business

Hilton Pattaya Hotel

In April 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Group's hotel. During temporarily shut down the hotel, management decided the hotel renovation plan, which began in April 2020 to November 2020 and has already started its operation.

Centara Hotel & Convention Centre Udon Thani

In April 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Group's hotel. The hotel began its operation again in July 2020. This event will significantly affect the hotel business of the Group in 2020 and the impact is hard to predict at this stage.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak to considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account and the Group elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment/investment properties/intangible assets, and elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of goodwill.

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6 Related parties

Relationships with subsidiaries and fund, associates and joint venture are described in note 1, 9 and 10. Relationship with key management and other related parties were as follows:

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 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	The shareholder of subsidiaries
Siam Retail Development Co., Ltd.	Thailand	Held by a subsidiary
Ayudhaya Agrocit Co., Ltd.	Thailand	Held by a subsidiary
Square Ritz Plaza Co., Ltd.	Thailand	Held by a subsidiary and 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
CMG Marketing Co., Ltd.	Thailand	Some common directors
CRC Thai Watsadu Co., Ltd.	Thailand	Some common directors
Zen Restaurant Holding Co., Ltd.	Thailand	Some common directors
CRG International Food Co., Ltd.	Thailand	Some common directors
Food Passion Co., Ltd.	Thailand	Some common directors
Dusit Thani Public Company Limited	Thailand	Held by the Company
Super Assets Co., Ltd.	Thailand	Some common directors
CKS Holding Co., Ltd.	Thailand	Some common directors
Grand Fortune Co., Ltd.	Thailand	Some common directors

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Zen Corporation Group Public Company Limited	Thailand	Held by the Company and some common directors
Mitsubishi Estate Asia Pte. Ltd.	Singapore	Held by a subsidiary
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 rental and services	Market prices which are subject to location, lease space, lease form, lease period and type of lease
Revenue from food center services	Market prices which are subject to location, lease space, lease form, lease period and type of lease
Management income and other income	The rate being charged by other parties in the business
Interest income/interest expense	As contractually agreed interest rate
Dividend income	As declared payment
Cost of rental and services	Market prices which are subject to location, lease space, lease form, lease period and type of lease
Cost of food center services	Market prices which are subject to location, lease space, lease form, lease period and type of lease
Administrative expenses	At actual amount
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

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries and fund				
Revenue from rental and services	-	-	98,668	115,198
Management income	-	-	349,546	527,950
Interest income	-	-	630,009	602,922
Dividend income	-	-	1,639,384	13,933,257
Other income	-	-	418,283	255,656
Cost of rental and services	-	-	1,434	245,523
Cost of food center services	-	-	-	12
Administrative expenses	-	-	450	21,784
Interest expense	-	-	811,636	490,110
Sale of investment properties	-	-	139,803	-

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<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associates				
Revenue from rental and services	1,715,719	1,455,916	32,034	57,492
Revenue from food center services	6	3	-	-
Management income	744,941	678,311	534,688	497,970
Interest income	980,397	4,904	18,615	4,904
Dividend income	-	-	602,739	975,415
Other income	2,815,803	73,822	21,982	23,584
Cost of rental and services	40,899	111,302	13,145	1,845
Cost of food center services	41,123	43,877	-	-
Administrative expenses	282,564	396,583	29,573	59,686
Joint ventures				
Revenue from rental and services	55,396	14,622	10,321	14,586
Management income	3,120	1,260	3,120	1,260
Interest income	100,902	270,348	4,124	2,446
Other income	1,883	196	1,716	196
Administrative expenses	19	14	19	-
Other related parties				
Revenue from rental and services	4,035,378	5,136,816	2,471,871	2,917,884
Revenue from food center services	3,608	352	1,244	35
Management income	70	-	70	-
Dividend income	27,595	25,405	27,595	25,405
Other income	12,237	28,705	10,957	22,678
Cost of rental and services	104,668	1,025,256	76,019	992,151
Cost of food center services	7,473	10,184	610	1,235
Management fee	158,868	234,345	155,795	228,421
Administrative expenses	337,242	172,105	321,335	133,997
Key management				
Key management personnel compensation				
Short-term benefits	247,512	309,911	205,888	270,089
Long-term benefits	8,575	8,236	8,575	8,236
Total Key management personnel compensation	256,087	318,147	214,463	278,325

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Significant balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	
	(in thousand Baht)				
Trade accounts receivable					
Subsidiaries and fund	-	-	57,240	138,151	
Associates	74,607	152,725	43,924	102,873	
Joint ventures	7,165	14,067	7,165	13,433	
Other related parties	725,043	178,323	460,009	95,946	
Total	806,815	345,115	568,338	350,403	
Other receivables					
Accrued income					
Associates	73,601	78,528	57,721	10,184	
Joint ventures	2,712	2,220	2,712	2,220	
Total	76,313	80,748	60,433	12,404	
Other receivables					
Associates	5,749	950	691	-	
Joint ventures	1	1	1	1	
Total	5,750	951	692	1	
Prepaid expenses					
Other related parties	-	10,800	-	10,800	
Other non-current assets					
Deposit					
Associates	1,220,525	987,905	21,171	-	
Loans to related parties					
	Interest rate At 31 December (% per annum)	1 January	Increase Decrease (in thousand Baht)	31 December	
Long-term loans					
2020					
Associates	4.31	222,348	307,612	(3,013)	526,947
Joint ventures	6.50, MLR-0.5, BIBOR+1.3	4,944,342	291,631	(4,830,638)	405,335
Total		5,166,690			932,282
2019					
Associates	5.01	75,215	150,905	(3,772)	222,348
Joint ventures	6.50, MLR-0.5, BIBOR+1.3	4,443,254	505,128	(4,040)	4,944,342
Total		4,518,469			5,166,690

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	Interest rate At 31 December (% per annum)	1 January	Separate financial statements		31 December
			Increase (in thousand Baht)	Decrease	
Short-term loans					
2020					
Subsidiaries and fund	1.83	32,176	51,974	(938)	83,212
2019					
Subsidiaries and fund	2.63	26,017	6,888	(729)	32,176
Long-term loans					
2020					
Subsidiaries and fund	1.83	22,620,087	13,950,330	(6,294,667)	30,275,750
Associates	4.31	222,348	307,612	(3,013)	526,947
Joint ventures	MLR-0.5, BIBOR+1.3	172,280	247,873	(172,612)	247,541
Total		23,014,715			31,050,238
2019					
Subsidiaries and fund	2.63	16,145,193	17,318,796	(10,843,902)	22,620,087
Associates	5.01	75,215	150,905	(3,772)	222,348
Joint ventures	MLR-0.5, BIBOR+1.3	-	172,280	-	172,280
Total		16,220,408			23,014,715

Loans to subsidiaries, fund, associates, and joint ventures are unsecured and denominated in Thai Baht and carry interests at the rate as stipulated in the agreements.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Trade accounts payable				
Subsidiaries and fund	-	-	19,231	93,192
Associates	145,477	26,238	24,304	23,952
Other related parties	225,788	198,084	172,231	156,053
Total	371,265	224,322	215,766	273,197
Other payables				
Subsidiaries and fund	-	-	7,636	-
Associates	5,717	10,253	3,016	6,853
Total	5,717	10,253	10,652	6,853
Lease liabilities				
Subsidiaries and fund	-	-	14,767,099	-
Associates	1,481,558	-	77,644	-
Other related parties	4,831,431	-	4,697,351	-
Total	6,312,989	-	19,542,094	-

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	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Advance received from rental income</i>				
Subsidiaries and fund	-	-	37,638	43,195
Associates	23,203,512	24,466,325	20,541	23,012
Total	23,203,512	24,466,325	58,179	66,207
<i>Less: Current portion of advance from rental income</i>	<i>(1,187,354)</i>	<i>(1,187,341)</i>	<i>(8,667)</i>	<i>(8,634)</i>
Net	22,016,158	23,278,984	49,512	57,573
<i>Deposits received from customers</i>				
Subsidiaries and fund	-	-	8,461	11,415
Joint ventures	1,907	6,211	1,907	1,907
Other related parties	776,579	865,260	480,026	422,865
Total	778,486	871,471	490,394	436,187
<i>Guarantees received for leasehold rights</i>				
Other related party	408	408	-	-

Loans from related parties

	Interest rate At 31 December (% per annum)	1 January	Consolidated financial statements		
			Increase (in thousand Baht)	Decrease	31 December
<i>Short-term loans</i>					
2020					
Related party	2.36	125,761	104,528	(4,040)	226,249
2019					
Related party	3.06	90,089	39,369	(3,697)	125,761
<i>Long-term loan</i>					
2020					
Related party	1.83	692,724	31,614	-	724,338
2019					
Related party	2.63	-	692,724	-	692,724
	Interest rate At 31 December (% per annum)	1 January	Separate financial statements		
			Increase (in thousand Baht)	Decrease	31 December
<i>Short-term loans</i>					
2020					
Subsidiaries and fund	1.83	9,861,746	3,337,086	(2,694,082)	10,504,750
2019					
Subsidiaries and fund	2.63	9,694,518	6,206,359	(6,039,131)	9,861,746

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	Interest rate	Separate financial statements			
	At 31 December (% per annum)	1 January	Increase (in thousand Baht)	Decrease	31 December
Long-term loans					
2020					
Subsidiaries	1.83	8,105,328	969,960	(1,459,857)	7,615,431
2019					
Subsidiaries	2.63	12,548,929	1,301,505	(5,745,106)	8,105,328

Loans from subsidiaries, fund and related parties are unsecured and denominated in Thai Baht and carry interests at the rate as stipulated in the agreements.

Agreements and significant transaction with related parties

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 other party. 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 property 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 make a lump sum payment of 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 property management contract with Central World and had to pay property management fee as stated in the contract.

According to the 7th TBF4’s unitholders’ resolution on 29 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 property management contract with Central World.

Consequently, TBF4 terminated a sublease utility system contract and a property 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 property manager for Central World project instead.

On 1 December 2011, the Company entered into a sublease utility system contract with TBF4. The contract would cover the period from 1 December 2011 to December 2032. The Company has to make the lump sum payment of 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 property management contract with the Company.

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As a result, on 14 September 2012, TBF4 terminated the sublease office building contract of The Offices at Central World with 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 part 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 part of office building. The contracts would cover the periods 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 part of land lease under the principal agreement with other party and subsequently appointed the Company as the new lessee of the cancelled lease directly with other party. The Company acquired the right for the use of cancelled land lease under conditions in an agreement. Therefore, to compensate TBF4 for the loss of the leasehold right on cancelled land lease, 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.

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 part of its structures located at Central World for a period of 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.

In August 2019, the Company made a payment of Baht 9,000 million to Thai Business Fund 4 for the guarantee of sublease property agreement of Central World project from Thai Business Fund 4. The conditions under the sublease property agreement had to finalise within period as specified in the agreement.

In February 2020, the Company entered into the sublease property agreement with Thai Business Fund 4 (Sublessor) for a period of 12 years 11 months, ending in December 2032. Under the conditions in agreement, the Company will make an advance rental payment or will pay annually rental totalling Baht 17,328 million. The sublease agreement can be renewed following the head lease agreement for a period of 8 years, ending in December 2040.

CentralPlaza Lardprao

In 2009, the Company entered into a sublease contract of assets comprising of land, shopping center, office building, parking buildings including their building improvements with integrated components and equipment of CentralPlaza Lardprao with Central International Development Company Limited (“the sublessor”) 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 Bangna

The Group entered into a land lease agreement with Hang Central Department Store Co., Ltd., a related party, for the location of CentralPlaza Bangna project for a period of 30 years ending in 2023.

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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 center 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 lessor in the amount of Baht 654.9 million, which was recorded as leasehold rights in the statements of financial position. In addition, the Company has to 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 years period, at the rate and the benefit to be agreed upon by notifying 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 part land lease agreement of CentralPlaza WestGate with Vantage, in order that Vantage could sell the land to other party for construction of this shopping center. 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 upon its maturity as stated in the contract.

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 centers 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 center in the amount of Baht 5,572.9 million and 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 and sale of utility system and asset agreements totalling Baht 55.5 million.

At the Company's Board of Directors' meeting held on 10 August 2018, the Board approved the additional land and building sublease agreements and purchased assets related to CentralFestival Phuket project with Central Department Store Co., Ltd. (“lessee”), a related party, to operate the shopping center within Baht 1,282 million.

Hilton Pattaya Hotel

In November 2017, the Group entered into hotel building utility system and movable assets sublease agreements with CPN Retail Growth Leasehold REIT (“the sublessor”), a related party, for using in the operation of hotel business for lease for a period of 1 month ending on 31 December 2017. The Group can renew the agreements for 3 times at 3 years each ending in December 2026. Under the conditions of the agreement, the Company had to pay the annual rental throughout the lease agreement period. Subsequently on 23 December 2020, the sublessor considered to revise fixed rental for the year 2021 - 2026 result in the Group had to pay fixed rental totalling Baht 2,233 million and variable rental which is calculated from profit before tax deduct furniture, fixture and equipment reserve of the hotel.

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Land sublease agreement

The Company entered into a land sublease agreement with Dara Harbour Co., Ltd., a subsidiary, which was for the period of 30 years starting from 1 January 2021 to 31 December 2050. The Company agreed to pay annual sublease compensation of which the first installment will be in January 2021. During 2017, the Company paid for the compensation from cancellation of leasehold rights to the lessee amounting to Baht 134.2 million.

Service agreement

The Company entered into a 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 years ending in 31 December 2019. Under the conditions of the agreement, the Company had to pay monthly service fee at rate 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 throughout the agreement term will not exceed Baht 623.7 million.

In January 2020, the Company renewed a 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 years ending in 31 December 2022. Under the conditions of the agreement, the Company had to pay monthly service fee at rate 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 throughout the agreement term will not exceed Baht 784.3 million.

Hotel Management agreement

The Group entered into a hotel management agreement with a related party whereby the Group agrees to pay monthly management fee at the rate of 2% of the hotel's operating income and additional compensation at the rate of 6% of the gross operating profit if the gross operating profit is achieved and sales and marketing contribution fee at the rate of 1.5% of operating income.

Service provider agreement

The Company entered into the management agreement with subsidiaries. The Company has to perform the management of the Shopping center. The subsidiaries have to pay management fee at the rate of 3% of the net rental income after deduction of the discount under the agreements. The initial contract started from 1 January 2020 to 31 December 2020. Subsequently, in January 2021, the Company extended the management agreement with the subsidiaries for another one year ending on 31 December 2021.

The Company entered into service agreement with Grand Canal Land Public Company Limited for business consulting, setting policies, and advising on business operation. The agreement will be effective for 2 years from 1 January 2019 with rate 3% of revenue from rent and services.

Property management fees

The Company is the Property manager, has a right to receive remuneration under the agreement of being the Property manager from the related parties, which shall be payable monthly according to the property management appointment agreement between the Property manager and related parties.

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Shopping Center Building Lease Agreement in Dusit Central Park Project

In June 2020, Suanlum Property Company Limited ("Suanlum") has entered into the Structure Lease Agreement with Vimarn Suriya Company Limited ("Vimarn Suriya") in order to decorate building and structures and operating the shopping center for rent for a period of 30 years, starting from 1 July 2024. Vimarn Suriya has to transfer the leased area to Suanlum within 30 September 2023. Under the conditions in agreement, the Group has to make a payment for rent throughout the lease term, totalling Baht 3,880 million. The schedule of rental payment divided into one-time and monthly payment according to the schedule that stipulated in the agreement. The lease agreement can be extended for another 30 years, ending 30 June 2084 which the Group has to pay the rental deposit of Baht 433.9 million when receiving the leased area from Vimarn Suriya.

In addition, Suanlum has to pay for arrangement fee as stipulated in the Shopping Center Building Lease Arrangement Agreement with Dusit Thani Public Company Limited from entering into the Shopping Center Building Lease Agreement with Vimarn Suriya of Baht 296.6 million within period as stipulated in the agreement.

Vimarn Suriya Co., Ltd.

In May 2020, the Company entered into a loan agreement within credit line not exceeding Baht 400 million with Vimarn Suriya Company Limited ("Vimarn Suriya") at the interest rate specified in the contract based on the market rate. The Company grant a loan to Vimarn Suriya according to shareholding proportion of Baht 160 million.

Collateral

As at 31 December 2020, the Group had collateral of subsidiaries and joint venture of Baht 573 million. (2019: Baht 373 million and Baht 4,813 million, respectively).

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Cash on hand	9	11	5	6
Call deposits	6,910	2,042	5,852	644
Highly liquid short-term investments	300	-	300	-
Total	7,219	2,053	6,157	650

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8 Real estate development for sale

	Consolidated financial statements	
	2020	2019
	<i>(in million Baht)</i>	
Real estate completed	5,938	4,619
Real estate under development	3,094	3,745
Total	9,032	8,364
Finance costs capitalised in real estate development for sale during the year	98	127
Rates of interest capitalised (% per annum)	2.14	2.65
Cost of real estate development for sale recognised in cost of sales of real estate		
- Cost	1,512	1,833

At 31 December 2020, real estate under development of the Group amounted of Baht 3,094 million (2019: Baht 1,933 million) are expected to be completed more than one year after the reporting period.

9 Investments in associates and joint ventures

For the year ended 31 December 2020

GLAND Office Leasehold Real Estate Investment Trust (associate)

GLANDRT had dissolution and delisting from being listed securities on the Stock Exchange of Thailand on 3 March 2020 according to note 33.

Vimarn Suriya Co., Ltd. (associate)

In May 2020, the Company acquired investment in additional ordinary shares of Vimarn Suriya Co., Ltd. ("Vimarn Suriya"), of Baht 77 million at the same proportion of shareholding in accordance which the condition of Share Purchase Agreement.

Common Ground (Thailand) Co., Ltd. (joint venture)

In March 2020, at the Board of Director's Meeting of Common Ground (Thailand) Co., Ltd, approved a call up share capital increase from Baht 103.5 million to Baht 137.8 million. The Company already paid shares of Baht 17.5 million according to shareholding of the Company.

In September 2020, at the Board of Director's Meeting of Common Ground (Thailand) Co., Ltd, approved a call up share capital increase from Baht 137.8 million to Baht 150 million. The Company already paid shares of Baht 6.2 million according to shareholding of the Company.

In November 2020, at the Board of Director's Meeting of Common Ground (Thailand) Co., Ltd, approved a resolution to increase the registered share capital from Baht 150 million to Baht 210 million by issuing the ordinary shares of 600,000 shares with par value of Baht 100 per share in order to use for its working capital. The Company already paid share of Baht 7.65 million to shareholding of the Company.

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Common Ground (Thailand) Co., Ltd. (joint venture)

According to note 10, in May 2019, the Company entered to a joint venture with Common Ground Works Sdn. Bhd. and MSB Asia Ltd. in the proportion of 51: 29: 20, respectively. The Company made a payment for shares of Baht 19.13 million. As a result, the proportion of shareholding decreased from 100% to 51%; therefore, the Company reclassified this investment from subsidiary to joint venture.

In September 2019, the Board of Directors meeting of Common Ground (Thailand) Co., Ltd., approved a resolution to increase the registered capital from Baht 37.5 million to Baht 78.0 million. The Company paid up for shares of Baht 20.7 million according to shareholding of the Company.

In November 2019, the Board of Directors meeting of Common Ground (Thailand) Co., Ltd., approved a resolution to increase the registered capital from Baht 78.0 million to Baht 103.5 million. The Company paid up for shares of Baht 13 million according to shareholding of the Company.

Porto Worldwide Limited (joint venture)

In May 2019, the Group entered into a joint venture with an international company by establishing Porto Worldwide Limited to invest in Grab businesses. The Group had the proportion of shareholding at 33% and has the registered share capital of US Dollar 199.3 million, totalling 199.3 million shares with a par value of 1 US Dollar. The Group made a payment for shares of Baht 2,071.2 million according to shareholding of the Group.

CPN and HKL Company Limited (joint venture)

In June 2019, the Company entered into a joint venture with a local company by establishing CPN and HKL Company Limited. The Company had the proportion of shareholding at 51% and has the registered share capital of Baht 1 million, totalling 10,000 shares with a par value of 100 Baht. The Company made a payment for shares of Baht 0.5 million according to shareholding of the Company.

In October 2019, the annual general meeting of the shareholders of CPN and HKL Company Limited, a joint venture, approved a resolution to increase the registered share capital from Baht 1 million to Baht 4 million by issuing the ordinary shares of 30,000 shares with par value of Baht 100 per share. The Company already paid up for shares of Baht 1.5 million according to shareholding of the Company.

Collateral

As at 31 December 2020, the Company had a part of investment in associate at cost of Baht 991.5 million which was used as collateral for the joint investment agreement with Dusit Thani Public Company Limited (2019: Baht 991.5 million).

Joint ventures										
Phenomenon Creation Co., Ltd.	51.0	51.0	400	400	204	204	117	167	-	-
Synergistic Property Development Co., Ltd.	50.0	50.0	465	465	232	232	232	232	-	-
Bayswater Co., Ltd.	-	50.0	10	10	2,526	-	-	2,301	-	-
Common Ground (Thailand) Co., Ltd	51.0	51.0	165	104	84	53	34	38	-	-
Porto Worldwide Limited	33.0	33.0	6,334	6,334	2,071	2,071	2,071	2,071	-	-
CPN and HKL Company Limited	51.0	51.0	4	4	2	2	-	-	-	-
Total					2,593	5,088	2,454	4,809	-	-

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Investments in associates and joint ventures as at 31 December 2020 and 2019 and dividend income from the investment for the years then ended were as follows:

	Separate financial statements						
	Ownership interest (%)		Paid-up capital		Cost		Dividend income
	2020	2019	2020	2019	2020	2019	
	(in million Baht)						
Associates							
CPN Commercial Growth Leasehold Property Fund	25.0	25.0	4,394	4,394	1,098	1,331	107
CPN Retail Growth Leasehold REIT	26.7	26.7	29,653	29,653	6,480	11,220	868
Vimarn Suriya Co., Ltd.	35.0	35.0	1,100	880	308	-	-
Total					7,963	7,886	975
Joint ventures							
Synergistic Property Development Co., Ltd.	50.0	50.0	465	465	232	-	-
Common Ground (Thailand) Co., Ltd	51.0	51.0	165	104	84	-	-
CPN and HKL Company Limited	51.0	51.0	4	4	2	-	-
Total					318	287	-

All associates and joint ventures were incorporated and mainly operate in Thailand, except Porto Worldwide Limited which was incorporated and operates in Hongkong.

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Associates

The following table summarises the financial information of the associates 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 Commercial Growth Leasehold Property Fund 2020	CPN Retail Growth Leasehold REIT 2020	GLAND Office Leasehold Real Estate Investment Trust 2020	2019
		(in million Baht)		
Revenue	686	4,059	1,913	701
Total comprehensive income (100%)	559	1,526	1,721	433
Group's share of total comprehensive income	184	707	258	65
Current assets	509	3,306	7	217
Non-current assets	5,924	76,430	-	5,809
Current liabilities	(31)	(1,243)	-	(90)
Non-current liabilities	(1,603)	(50,449)	-	(1,123)
Net assets (100%)	4,799	28,044	7	4,813
Unrealised from fair value measurement	377	600	-	1,094
	5,176	28,644	7	5,907
Group's share of net assets	1,294	7,645	1	886
Elimination of unrealised profit from sale of assets to associate	(592)	(2,976)	-	76
Carrying amount of interest in associates	702	4,669	1	962

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10 Investments in subsidiaries and fund

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CPN Learning Center Co., Ltd. (direct subsidiary)

In February 2020, the Company received the return from share capital from CPN Learning Center Co., Ltd. totalling Baht 1 million.

Bayswater Co., Ltd. (direct subsidiary)

In May 2020, the Group obtained control of Bayswater Company Limited ("Bayswater"), a property development, from entering into the Share Purchase Agreement of Bayswater in May 2019. Bayswater is a joint venture between Ratchada Assets Holding Limited (Indirect subsidiary) and BTS Group Holdings Public Company Limited ("BTS Group Holdings") in proportion of 50 : 50. The Company acquired ordinary shares from BTS Group Holdings of 50,000 shares or accounted for 50% of the total issued and paid-up share capital of Bayswater. In May 2019 and 2020, the Company made a payment of Baht 2,309.62 million and Baht 5,389.10 million, respectively, totalling Baht 7,698.72 million, in order to pay for shares of Baht 2,631.18 million and related obligations under the agreement. As a result, the Group's equity interest in Bayswater increased from 50% to 100%, and such company changed of status from joint venture to subsidiary.

GLAND REIT Management Co., Ltd. (indirect subsidiary)

The annual general shareholders meeting of GLAND REIT Management Co., Ltd. held on 24 June 2020, approve a resolution to dissolve the company and was registered for the dissolution to the Ministry of Commerce on 29 June 2020.

C.S. City Co., Ltd. (indirect subsidiary)

In September 2020, at the Board of Directors' Meeting of C.S. City Co., Ltd., approved a call up share capital increase from Baht 350 million to Baht 500 million. The Group already fully paid-up for shares.

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Suanlum Property Co., Ltd. (direct subsidiaries)

In February 2019, the Company purchased the ordinary shares of Suanlum Property Co., Ltd., from Dusit Thani Public Company Limited of 0.26 million shares amounting to Baht 185.69 million. As a result, the proportion of shareholding increased from 63% to 78% in accordance with the conditions in the agreement.

Common Ground (Thailand) Co., Ltd. (direct subsidiaries)

In March 2019, at the extraordinary shareholders meeting of Common Ground (Thailand) Co., Ltd., a subsidiary, approved a resolution to increase the registered share capital from Baht 1 million to Baht 150 million by issuing the ordinary shares of 1.49 million shares with par value of Baht 100 per share. The Company made a payment for 25% shares amounting to Baht 18.88 million.

In May 2019, the Company entered into a joint venture with Common Ground Works Sdn. Bhd. and MSB Asia Ltd. in the proportion of 51: 29: 20, respectively. The Company made a payment for shares of Baht 19.13 million. As a result, the proportion of shareholding decreased from 100% to 51%; therefore, the Company reclassified this investment from subsidiary to joint venture.

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Saladang Property Management Co., Ltd. (direct subsidiaries)

In June 2019, the Company purchased the ordinary shares of Saladang Property Management Co., Ltd., from Dusit Thani Public Company Limited and directors of 0.56 million shares amounting to Baht 216.79 million. As a result, the proportion of shareholding increased from 86% to 100% in accordance with the conditions in the agreement.

CPN Village Co., Ltd. (direct subsidiaries)

In November 2019, the Company sold the ordinary shares of CPN Village Co., Ltd., to Mitsubishi Estate Asia Pte. Ltd. of 30,000 shares, par value at 10 Baht, amounting to Baht 254.79 million. As a result, the proportion of shareholding decreased from 100% to 70%.

Chipper Global Limited (indirect subsidiaries)

In May 2019, the Group established Chipper Global Limited which has the registered share capital of US Dollar 65.8 million (equivalent to Baht 2,084 million), totalling 32,900 shares with a par value of US Dollar 2,000 per share. The proportion of shareholding was at 100%.

Central Plaza i-City Real Estate Sdn. Bhd. (indirect subsidiaries)

During 2019, the Board of Directors' meeting of Central Plaza i-City Real Estate Sdn. Bhd, approved to additionally issue and call for paid up newly issued shares from Malaysian Ringgit 420.40 million to Malaysian Ringgit 420.43 million (equivalent to Baht 3,452.33 million) by issuing and calling for paid up newly issued shares of 290 million ordinary shares with par value of Malaysian Ringgit 1 per share and paid-up of 0.0001 Malaysian Ringgit in order to use for its working capital which the ownership interest of the Group is 60%. The Group invested in those increased shares in amount of Malaysian Ringgit 0.02 million (equivalent to Baht 0.13 million) at the same proportion of shareholding of the Group.

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Investments in subsidiaries and fund as at 31 December 2020 and 2019 and dividend income from those investments for the years then ended were as follows:

	Separate financial statements										Dividend income	
	Ownership interest 2020 (%)		Paid-up capital 2020 (in million Baht)		Cost		Impairment		At cost - net		2020	2019
					2020	2019	2020	2019	2020	2019		
	(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	450,000	500,000
Central Pattana Realty Co., Ltd.	44.2	44.2	2,268.4	2,268.4	1,003,658	1,003,658	-	-	1,003,658	1,003,658	-	-
Central Pattana Rattanaithet Co., Ltd.	100.0	100.0	800.0	800.0	589,998	589,998	-	-	589,998	589,998	501,498	471,998
Central Food Avenue Co., Ltd.	100.0	100.0	5.0	5.0	5,000	5,000	-	-	5,000	5,000	-	32,125
Central World 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 Rama 3 Co., Ltd.	100.0	100.0	324.7	324.7	2,166,751	2,166,751	-	-	2,166,751	2,166,751	201,337	48,711
Central Pattana Chonburi Co., Ltd.	100.0	100.0	900.0	900.0	808,984	808,984	-	-	808,984	808,984	-	-
CPN Residence Co., Ltd.	100.0	100.0	400.6	400.6	400,599	400,599	-	-	400,599	400,599	-	-
Central Pattana Development Co., Ltd.	100.0	100.0	700.0	700.0	744,285	744,285	-	-	744,285	744,285	-	-
CPN Global Co., Ltd.	100.0	100.0	2,500.0	2,500.0	2,500,000	2,500,000	-	-	2,500,000	2,500,000	-	-
Central Pattana Nine Square Co., Ltd.	93.3	93.3	2,400.0	2,400.0	2,239,200	2,239,200	-	-	2,239,200	2,239,200	-	-
Central Pattana Khon Kaen Co., Ltd.	78.1	78.1	2,000.0	2,000.0	1,562,684	1,562,684	-	-	1,562,684	1,562,684	203,149	281,283
CPN Learning Center Co., Ltd.	-	100.0	-	1.0	-	1,000	-	-	-	1,000	-	-
CPN Pattaya Co., Ltd	100.0	100.0	2,500.0	2,500.0	2,500,060	2,500,060	-	-	2,500,060	2,500,060	-	-
CPN Rayong Co., Ltd.	100.0	100.0	1,000.0	1,000.0	999,999	999,999	-	-	999,999	999,999	200,000	-
Bangna Central Property Co., Ltd.	-	-	962.5	962.5	1	1	-	-	1	1	-	-
CPN Korat 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 Estate Co., Ltd.	100.0	100.0	0.3	0.3	250	250	-	-	250	250	-	-
CPN Residence Khon Kaen Co., Ltd.	100.0	100.0	50.0	50.0	50,000	50,000	-	-	50,000	50,000	-	-
Suanlum Property Co., Ltd.	78.0	78.0	172.0	172.0	294,053	294,053	-	-	294,053	294,053	-	-
Pharam 4 Development Co., Ltd.	90.0	90.0	1.0	1.0	900	900	-	-	900	900	-	-
Saladang Property Management Co., Ltd.	100.0	100.0	0.4	0.4	385,767	385,767	-	-	385,767	385,767	-	-
CPN REIT Management Co., Ltd.	100.0	100.0	10.0	10.0	10,000	10,000	-	-	10,000	10,000	83,400	83,350
Dara Harbour Co., Ltd.	65.0	65.0	215.6	215.6	291,750	291,750	-	-	291,750	291,750	-	-
CPN Pattaya Hotel Co., Ltd.	100.0	100.0	51.7	51.7	51,745	51,745	-	-	51,745	51,745	-	50,000

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	Ownership interest	Separate financial statements										Dividend income	
		Paid-up capital		Cost		Impairment		At cost - net		2020	2019	2020	2019
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		(in million Baht)						(in thousand Baht)					
<i>Subsidiaries (continued)</i>													
Chanakun Development Co., Ltd.	100.0	100.0	59.0	59.0	58,994	58,994	-	-	58,994	58,994	-	-	-
CPN Village Co., Ltd.	70.0	70.0	0.7	1.0	700	700	-	-	700	700	-	-	-
Bayswater Co., Ltd.	50.0	-	10.0	-	2,631,185	-	-	-	2,631,185	-	-	-	-
<i>Fund</i>													
Thai Business Fund 4 ⁽¹⁾	100.0	100.0	5,443.8	5,443.8	5,443,793	5,443,793	-	-	5,443,793	5,443,793	-	-	12,465,790
Total					30,653,089	28,022,904	-	-	30,653,089	28,022,904	1,639,384	13,933,257	

⁽¹⁾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, and (2) the payment for dividend payable.

In 2019, Thai Business Fund 4 amended the dividend payment policy for non-payment of dividend against the performance outcomes, starting from July 2019 onward until having new resolution from unitholders.

All subsidiaries were incorporated and operate in Thailand.

11 Non-controlling interests

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

	31 December 2020					31 December 2019				
	Grand Canal Land Public Company Limited	Central Pattana Khon Kaen Co., Ltd.	Central Plaza i-City Real Estate Sdn. Bhd.	Other individually immaterial subsidiaries	Total <i>(in million baht)</i>	Grand Canal Land Public Company Limited	Central Pattana Khon Kaen Co., Ltd.	Central Plaza i-City Real Estate Sdn. Bhd.	Other individually immaterial subsidiaries	Total
Non-controlling interest percentage	32.5%	21.9%	40.0%			32.5%	21.9%	40.0%		
Current assets	3,150	110	126			3,623	66	106		
Non-current assets	30,408	5,125	5,801			31,509	5,097	5,835		
Current liabilities	(3,887)	(158)	(1,077)			(4,145)	(183)	(1,000)		
Non-current liabilities	(10,840)	(461)	(2,415)			(12,411)	(475)	(2,261)		
Net assets	18,831	4,616	2,435			18,576	4,505	2,680		
Carrying amount of non-controlling interest	6,114	1,009	974	236	8,333	6,032	985	1,072	245	8,334
Revenue	1,905	784	432			501	1,079	327		
Profit (loss) for the year	255	371	(242)			170	452	(449)		
Total comprehensive income	255	371	(242)			170	452	(449)		
Profit allocated to non-controlling interest	83	81	(97)	(7)	60	55	99	(179)	96	71

	31 December 2020			31 December 2019		
	Grand Canal Land Public Company Limited	Central Pattana Khon Kaen Co., Ltd.	Central Plaza i-City Real Estate Sdn. Bhd.	Grand Canal Land Public Company Limited	Central Pattana Khon Kaen Co., Ltd.	Central Plaza i-City Real Estate Sdn. Bhd.
Cash flows from (used in) operating activities	724	62	384	(52)	204	(863)
Cash flows from (used in) investing activities	806	(60)	(130)	410	(142)	(183)
Cash flows from (used in) financing activities						
(dividends to non-controlling interest: nil)	(1,511)	-	(249)	(485)	-	1,015
Net increase (decrease) in cash and cash equivalents	19	2	5	(127)	62	(31)

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12 Investment properties

Consolidated financial statements					
<i>Note</i>	Owned properties				Total
	Land	Buildings and improvements	Assets under construction	Right-of-use assets	
			<i>(in million Baht)</i>		
Cost					
At 1 January 2019	30,685	98,319	8,008	-	137,012
Additions	2,819	219	3,983	-	7,021
Asset acquired from (adjust) business combination	(266)	-	-	-	(266)
Transfer to real estate development for sales	(172)	-	-	-	(172)
Transfer to leasehold right	-	2,643	(8,367)	-	(5,724)
Disposals / amortisation	(47)	(80)	(67)	-	(194)
Difference from translating financial statements	-	(191)	(1)	-	(192)
At 31 December 2019	33,019	100,910	3,556	-	137,485
Recognise right-of-use assets on initial application of TFRS 16	-	(240)	-	83,989	83,749
At 1 January 2020 – as adjusted 3(b)	33,019	100,670	3,556	83,989	221,234
Additions	13,243	176	4,453	413	18,285
Transferred	-	1,559	(1,559)	-	-
Disposals / write-off	(213)	(51)	(49)	(12,372)	(12,685)
Difference from translating financial statements	-	2	-	-	2
At 31 December 2020	46,049	102,356	6,401	72,030	226,836
Depreciation					
At 1 January 2019	-	28,600	-	-	28,600
Depreciation charge for the year	-	4,951	-	-	4,951
Transfer to leasehold right	-	(515)	-	-	(515)
Disposals / write-off	-	(54)	-	-	(54)
At 31 December 2019	-	32,982	-	-	32,982
Recognise of depreciation of right-of-use assets on initial application of TFRS 16	-	(34)	-	27,352	27,318
At 1 January 2020 – as adjusted 3(b)	-	32,948	-	27,352	60,300
Depreciation charge for the year	-	4,849	-	2,471	7,320
Disposals / write-off	-	(18)	-	(749)	(767)
At 31 December 2020	-	37,779	-	29,074	66,853
Net book value					
At 31 December 2019	33,019	67,928	3,556	-	104,503
At 31 December 2020	46,049	64,577	6,401	42,956	159,983

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Separate financial statements						
	Owned properties					
		Buildings and improvements	Assets under construction	Right-of-use assets	Total	
	<i>Note</i>	Land	(in million Baht)			
Cost						
At 1 January 2019		9,141	41,689	231	-	51,061
Additions		536	(207)	1,140	-	1,469
Transfer to leasehold right		-	(5,101)	(623)	-	(5,724)
Disposals / amortisation		(2)	(44)	(62)	-	(108)
At 31 December 2019		9,675	36,337	686	-	46,698
Recognise right-of-use assets on initial application of TFRS 16		-	(240)	-	44,764	44,524
At 1 January 2020 – as adjusted	3(b)	9,675	36,097	686	44,764	91,222
Additions		-	96	1,237	21,179	22,512
Disposals / write-off		(135)	(3)	(31)	(2)	(171)
Transferred		-	646	(646)	-	-
At 31 December 2020		9,540	36,836	1,246	65,941	113,563
Depreciation						
At 1 January 2019		-	10,031	-	-	10,031
Depreciation charge for the year		-	2,056	-	-	2,056
Transfer to leasehold right		-	(515)	-	-	(515)
Disposals / write-off		-	(21)	-	-	(21)
At 31 December 2019		-	11,551	-	-	11,551
Recognise of depreciation of right-of-use assets on initial application of TFRS 16		-	(34)	-	14,558	14,524
At 1 January 2020 – as adjusted	3(b)	-	11,517	-	14,558	26,075
Depreciation charge for the year		-	2,044	-	2,808	4,852
Disposals / write-off		-	(2)	-	(2)	(4)
At 31 December 2020		-	13,559	-	17,364	30,923
Net book value						
At 31 December 2019		9,675	24,786	686	-	35,147
At 31 December 2020		9,540	23,277	1,246	48,577	82,640

During the year 2020, the Group write off the right-of-use assets of Baht 12,372 million which in accordance with the conditions in the sublease property agreement of the shopping center project of the Group.

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Information relating to leases are disclosed in note 14

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Rental income	25,440	16,158	13,354	6,781
<i>Direct operating expenses</i>				
- property that generated rental income	15,043	12,170	8,686	6,066
- property that did not generate rental income	548	1	52	-
Finance costs capitalised in real estate development for sale during the year	101	164	7	6

The fair value of investment properties as at 31 December 2020 of Baht 350,420 million (2019: Baht 252,051 million) for the Group and of Baht 167,334 million (2019: Baht 78,187 million) for the Company was determined by independent professional valuers, at open market values on an existing use basis and discounted cash flow using risk-adjusted discount rates. The fair value of investment property has been categorised as a Level 3 fair value.

Investment properties comprise a number of commercial properties that are leased to third parties which consist of:

- CentralPlaza Chiangmai Airport
- CentralPlaza Bangna
- Central Marina
- CentralPlaza Rattanathibet
- CentralFestival Pattaya Beach
- CentralPlaza Chonburi
- CentralPlaza Chiangrai
- CentralPlaza Grand Rama 9
- Central City Residential
- Bangna Office Building
- CentralPlaza Lampang
- CentralFestival Chiangmai
- CentralFestival Samui
- CentralPlaza Rayong
- CentralPlaza WestGate
- CentralPlaza Nakhon Si Thammarat
- CentralPlaza Nakhon Ratchasima
- Projects under development
- CentralPlaza Ramindra
- CentralPlaza Pinklao
- CentralPlaza Rama 3
- CentralPlaza Changwattana
- CentralPlaza Udonthani
- CentralPlaza Khonkaen
- CentralPlaza Pisanulok
- Grand Rama 9 Office Building
- Chaengwattana Office Building
- CentralPlaza Suratthani
- CentralPlaza Ubonratchathani
- CentralFestival Hat-yai
- CentralPlaza Salaya
- CentralFestival Phuket
- CentralFestival EastVille
- CentralPlaza Mahachai
- Central Village

The Group's projects under development consist of shopping centers and office buildings.

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13 Property, plant and equipment

Consolidated financial statements						
	Note	Land	Buildings and improvements	Furniture, fixtures, office and transportation equipment (in million Baht)	Asset under construction	Total
Cost						
At 1 January 2019		91	2,618	1,039	114	3,862
Additions		-	25	87	129	241
Transfer - net		-	15	41	(56)	-
Disposals / write off		-	(12)	(27)	-	(39)
At 31 December 2019		91	2,646	1,140	187	4,064
Recognise of right-of-use assets on initial application of TFRS 16	3(b)	-	2,014	-	-	2,014
At 1 January 2020 – as adjusted		91	4,660	1,140	187	6,078
Additions		-	96	109	434	639
Transfer - net		-	360	66	(426)	-
Disposals / write off		-	(15)	(25)	-	(40)
At 31 December 2020		91	5,101	1,290	195	6,677
Depreciation						
At 1 January 2019		-	1,517	699	-	2,216
Depreciation charge for the year		-	187	94	-	281
Transfer - net		-	-	-	-	-
Disposals / write-off		-	(10)	(19)	-	(29)
At 31 December 2019		-	1,694	774	-	2,468
Recognise of depreciation of right-of-use assets on initial application of TFRS 16	3(b)	-	455	-	-	455
At 1 January 2020 – as adjusted		-	2,149	774	-	2,923
Depreciation charge for the year		-	440	109	-	549
Disposals / write-off		-	(12)	(24)	-	(36)
At 31 December 2020		-	2,577	859	-	3,436

Central Pattana Public Company Limited and its Subsidiaries
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<i>Net book value</i>					
At 31 December 2019					
Owned assets	91	952	361	187	1,591
Assets under finance leases	-	-	5	-	5
	91	952	366	187	1,596
At 31 December 2020					
Owned assets	91	1,199	431	195	1,916
Right-of-use assets	-	1,325	-	-	1,325
	91	2,524	431	195	3,241

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 2020 amounted to Baht 1,748 million (2019: Baht 396 million).

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		Separate financial statements			
		Buildings and improvements	Furniture, fixtures, office and transportation equipment	Asset under construction	Total
		<i>Note</i>	<i>(in million Baht)</i>		
Cost					
At 1 January 2019		265	735	77	1,077
Additions		9	63	93	165
Transfer - net		1	42	(43)	-
Disposals / write off		-	(17)	-	(17)
At 31 December 2019		275	823	127	1,225
Recognise of right-of-use assets on initial application of TFRS 16		-	110	-	110
At 1 January 2020 – as adjusted	3(b)	275	933	127	1,335
Additions		17	98	19	134
Transfer - net		17	26	(43)	-
Disposals / write off		(1)	(8)	-	(9)
At 31 December 2020		308	1,049	103	1,460
Depreciation					
At 1 January 2019		188	497	-	685
Depreciation charge for the year		13	77	-	90
Disposals / write-off		-	(14)	-	(14)
At 31 December 2019		201	560	-	761
Recognise of depreciation of right-of-use assets on initial application of TFRS 16		-	19	-	19
At 1 January 2020 – as adjusted	3(b)	201	579	-	780
Depreciation charge for the year		15	126	-	141
Disposals / write-off		(1)	(6)	-	(7)
At 31 December 2020		215	699	-	914

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<i>Net book value</i>	Separate financial statements			
	Buildings and improvements	Furniture, fixtures, office and transportation equipment (in million Baht)	Asset under construction	Total
At 31 December 2019				
Owned assets	74	260	127	461
Assets under finance leases	-	3	-	3
	<u>74</u>	<u>263</u>	<u>127</u>	<u>464</u>
At 31 December 2020				
Owned assets	93	280	103	476
Right-of-use assets	-	70	-	70
	<u>93</u>	<u>350</u>	<u>103</u>	<u>546</u>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2020 amounted to Baht 620 million (2019: Baht 291 million).

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14 Leases

As a lessee

<i>At 31 December 2020</i>	Consolidated financial statements <i>(in million Baht)</i>	Separate financial statements
<i>Right-of-use assets</i>		
Land	17,107	14,454
Buildings and improvements	27,174	34,194
Total	44,281	48,648

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 847 million and Baht 21,198 million, respectively.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<i>For the year ended 31 December</i>	Consolidated financial statements		Separated financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
<i>Recognised in profit or loss</i>				
Gain on sale of investment properties	2,800	2	4	(2)
Interest income from finance lease receivable	962	-	-	-
Interest expense on lease liabilities	1,173	-	906	-
Expenses relating to short-term leases	480	-	58	-
Expenses relating to leases of low-value assets	10	-	4	-
Depreciation of right-of-use assets on land	1,288	-	997	-
Depreciation of right-of-use assets on buildings and improvements	1,437	-	1,851	-
Lease expenses	-	2,685	-	1,558

In 2020, total cash outflow for leases of the Group and the Company were Baht 3,828 million and Baht 2,788 million, respectively.

As a lessor

The leases of investment properties comprise a number of commercial properties that are leased to third parties under operating leases. Each of the leases contains an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee. For all investment property leases, the rental income is fixed and variable under the contracts.

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<i>Maturity of operating lease receivables presented in 'other receivables'</i>	Consolidated financial statements (in million Baht)	Separate financial statements (in million Baht)
At 31 December 2020		
1 st year	14,284	8,614
2 nd year	7,842	4,636
3 rd year	3,853	2,208
4 th year	873	562
5 th year	469	328
After 5 th year	2,972	2,684
Total	30,293	19,032

<i>Minimum lease payments under non-concancellable operating lease are receivable</i>	Consolidated financial statements (in million Baht)	Separate financial statements (in million Baht)
At 31 December 2019		
Within 1 year	16,341	9,395
1 - 5 years	13,830	8,018
After 5 years	1,619	724
Total	31,790	18,137

15 Goodwill

Most of the goodwill arises from the acquisition of shares in Grand Canal Land Public Company Limited and its subsidiaries. (Together referred to as "Grand Canal Land Group")

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows.

CGU 1 - Grand Canal Land Group

	Consolidated financial statements	
	2020	2019
	(in million Baht)	
CGU 1 - Grand Canal Land Group	1,036	1,036

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Consolidated financial statements	
	2020	2019
	(%)	
Discount rate	11	11
Terminal value growth rate	3	3
Budgeted EBITDA growth rate (average of next five years)	3	3

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Discount rate

The discount rate was based on weighted average cost of capital, with average industry cost of debt, risk free rate of over 10-year government bond, adding with business risk, trend growth, economic conditions, and investment, including other factors that effect to business operations.

Terminal value growth rate

Terminal value growth rate was determined based on average industry growth rate and average gross domestic product (“GDP”) growth rate, inflation rates and growth rates of historical earnings before interest, income tax, depreciation and amortisation.

Budgeted earning before interest, income tax, depreciation and amortisation (EBITDA)

Budgeted EBITDA was based on expectations of future outcomes taking into the past experience, adjusted for the anticipated revenue growth. Revenue growth was projected from past experience and business growth of same industries.

Based on the impairment testing, the estimated recoverable amount was estimated to be higher than its carrying amount and no impairment was required to these financial statements.

16 Leasehold rights

	<i>Note</i>	Consolidated financial statements	Separate financial statements
		<i>(in million Baht)</i>	
Cost			
At 1 January 2019		29,872	12,798
Additions		3,368	1,116
Transfer from investment properties	12	5,724	5,724
Disposal / amortisation		(97)	(61)
At 31 December 2019		38,867	19,577
Transfer to investment properties	12	(38,867)	(19,577)
At 31 December 2020		-	-
Accumulated amortisation			
At 1 January 2019		15,786	7,025
Amortisation for the year		1,845	947
Transfer from investment properties		515	515
Disposal / amortisation		(62)	(46)
At 31 December 2019		18,084	8,441
Transfer from investment properties	12	(18,084)	(8,441)
At 31 December 2020		-	-
Net book value			
At 1 January 2019		14,086	5,773
At 31 December 2019		20,783	11,136
At 31 December 2020		-	-

Central Pattana Public Company Limited and its Subsidiaries

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During 2019, additional leasehold rights were mainly as the Group has constructed future projects of shopping centers and department stores by acquiring of assets for using in shopping centers of Central World and CentralPlaza Lardprao in amount of Baht 450.50 million.

In January 2019, the Group paid fees of the additional payment under the land lease agreements with third parties that are the location of CentralPlaza Rama 2 project of Baht 1,790.86 million.

The leasehold rights are commercial properties under long-term operating leases of which mostly were the shopping centers of Central World, CentralPlaza Lardprao and part of projects of CentralPlaza Grand Rama 9, CentralFestival Phuket, CentralPlaza WestGate, CentralFestival EastVille and other projects

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Direct operating expenses				
property that generated rental income	-	3,873	-	2,782

Land leasehold right as presented in the consolidated financial statements, were advance rental fees that a subsidiary paid to two related companies under a land lease agreement with a term of 43 years, which on 30 June 2050.

17 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Deposits	1,760	1,303	227	237
Advance payment for purchases of investment properties and leasehold rights	394	4	228	4
Advance payment for rights	340	377	247	280
Guarantees for leasehold rights	206	233	-	-
Withholding tax deducted at source	3	92	-	-
Others	59	-	16	-
Total	2,762	2,009	718	521

18 Interest-bearing liabilities

Consolidated financial statements							
	<i>Note</i>	Secured	2020 Unsecured	Total <i>(in million Baht)</i>	Secured	2019 Unsecured	Total
Short-term loans from related parties	6	-	226	226	-	126	126
Short-term loans from financial institutions		-	11,732	11,732	770	4,200	4,970
Current portion of long-term loans from financial institutions		-	2,010	2,010	-	1,569	1,569
Current portion of long-term loans from institutional investors		-	4,163	4,163	-	2,200	2,200
Long-term loans from related parties	6	-	724	724	-	693	693

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Consolidated financial statements							
	<i>Note</i>	Secured	2020 Unsecured	Total <i>(in million Baht)</i>	Secured	2019 Unsecured	Total
Long-term loans from financial institutions		2,532	13,067	15,599	2,532	7,081	9,613
Long-term loans from institutional investors		-	12,032	12,032	-	14,858	14,858
Total interest-bearing liabilities		2,532	43,954	46,486	3,302	30,727	34,029

Separate financial statements							
	<i>Note</i>	Secured	2020 Unsecured	Total <i>(in million Baht)</i>	Secured	2019 Unsecured	Total
Short-term loans from related parties	6	-	10,505	10,505	-	9,862	9,862
Short-term loans from financial institutions		-	11,182	11,182	-	3,600	3,600
Current portion of long-term loans from financial institutions		-	2,010	2,010	-	1,569	1,569
Current portion of long-term loans from institutional investors		-	3,000	3,000	-	800	800
Long-term loans from related parties	6	-	7,615	7,615	-	8,105	8,105
Long-term loans from financial institutions		-	13,067	13,067	-	7,081	7,081
Long-term loans from institutional investors		-	10,996	10,996	-	12,400	12,400
Total interest-bearing liabilities		-	58,375	58,375	-	43,417	43,417

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Within 1 year	18,131	8,865	26,697	15,831
1 - 5 years	27,855	23,051	31,178	25,474
After 5 years	500	2,113	500	2,112
Total	46,486	34,029	58,375	43,417

Consolidated financial statements			
<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	2020	2019
		<i>(in million Baht)</i>	
Real estate development for sales	8	-	156
Investment properties	12	14,468	14,635
Leasehold rights	16	-	97
Total		14,468	14,888

As at 31 December 2020 the Group had unutilised credit facilities totalling Baht 18,103 million (2019: Baht 14,213 million).

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Restricted bank deposits

Restricted bank deposits are fixed deposits which the Group had used to guarantee credit facilities.

Short-term loans from financial institutions

Short-term loans from financial institutions of the Group were promissory notes and at call for repayment.

Short-term loans from institutional investors

Central Pattana Public Company Limited

In July 2020, the Company issued bills of exchange totalling Baht 280 million. The bills of exchange have term to maturity of 6 months, maturing in January 2021.

In September 2020, the Company issued bills of exchange totalling Baht 850 million. The bills of exchange have term to maturity of 6 months, maturing in March 2021.

In October 2020, the Company issued bills of exchange totalling Baht 2,000 million. The bills of exchange have term to maturity of 3 months, maturing in January 2021.

In November 2020, the Company issued bills of exchange totalling Baht 2,000 million. The bills of exchange have term to maturity of 3 months, maturing in February 2021.

In November 2020, the Company issued bills of exchange totalling Baht 52 million. The bills of exchange have term to maturity of 6 months, maturing in May 2021.

In December 2020, the Company issued bills of exchange totalling Baht 3,000 million. The bills of exchange have term to maturity of 3 months, maturing in March 2021.

Grand Canal Land Public Company Limited

In November 2020, the Company issued bills of exchange totalling Baht 300 million. The bills of exchange have term to maturity of 6 months, maturing in May 2021.

In December 2020, the Company issued bills of exchange totalling Baht 250 million. The bills of exchange have term to maturity of 6 months, maturing in June 2021.

Long-term loans from financial institutions

Central Pattana Public Company Limited

In November 2018, the Company entered into a loan agreement not exceeding of Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 14 semi-annually instalments. As at 31 December 2020, the Company had already fully withdrawn total amount of loan.

In November 2018, the Company entered into a loan agreement not exceeding of Baht 1,000 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the first principle within the next 24 months after the first withdrawn and repays in 21 quarterly instalments. As at 31 December 2020, the Company had already fully withdrawn total amount of loan.

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In December 2018, the Company entered into a loan agreement not exceeding of Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 14 semi-annually instalments. As at 31 December 2020, the Company had already fully withdrawn total amount of loan.

In December 2018, the Company entered into a loan agreement not exceeding of Baht 500 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal in 25 months after the first withdrawal date and repays the principle in 36 monthly instalments. As at 31 December 2020, the Company had already fully withdrawn total amount of loan.

In March 2019, the Company entered into a loan agreement not exceeding of Baht 2,000 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal in 25 months after the first withdrawal date and repays the principle in 35 monthly instalments. As at 31 December 2020, the Company has already fully withdrawn total amount of loan.

In May 2019, the Company entered into a loan agreement not exceeding of Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal in 25 months after the first withdrawal date and repays the principle in 35 monthly instalments. As at 31 December 2020, the Company has already fully withdrawn total amount of loan.

In March 2020, the Company entered into a loan agreement not exceeding of Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal in 25 months after the first withdrawal date and repays the principle in 35 monthly instalments. As at 31 December 2020, the Company has already fully withdrawn total amount of loan.

In June 2020, the Company entered into a loan agreement not exceeding of Baht 5,000 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal in 24 months after the first withdrawal date and repays the principle in instalments every 1 years, totalling of 3 instalments. As at 31 December 2020, the Company has already fully withdrawn total amount of loan.

In December 2020, the Company entered into a loan agreement not exceeding of Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal in 36 months after the first withdrawal date and repays the principle in instalments every 6 month, totalling of 2 instalments. As at 31 December 2020, the Company has already fully withdrawn total amount of loan.

Grand Canal Land Public Company Limited

In September 2010, the Group entered into a loan agreement not exceeding of Baht 3,100 million credit facility agreement with a financial institution. Such agreement stipulated the Company to pay the remaining instalments fully within 3 years, starting from 17 July 2019. As at 31 December 2020, the Company had withdrawn of Baht 2,532 million (2019: Baht 2,532 million).

Long-term loans from institutional investors

The Company issued Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debenture holders' representative as follows:

Central Pattana Public Company Limited

In October 2011, the Group issued through private placement Baht 300 million. The debentures have term to maturity of 10 years, maturing on 12 October 2021, and pay interest every six-month period.

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In June 2015, the Company issued through private placement Baht 1,000 million. The debentures have term to maturity of 6 years, 7 month and 10 days, maturing on 12 January 2022, and pay interest on maturing.

In August 2015, the Group issued through private placement Baht 800 million. The debentures have term to maturity of 7 years, maturing on 6 August 2022, and pay interest twice a year.

In August 2018, the Company issued through private placement Baht 1,900 million. The debentures have term to maturity of 3 years, maturing on 8 August 2021, and pay interest every six month.

In August 2018, the Company issued through private placement Baht 1,000 million. The debentures have term to maturity of 7 years, maturing on 8 August 2025, and pay interest every six month.

In May 2019, the Company issued debentures totalling Baht 2,000 million. The debentures have term to maturity of 4 years, maturing in 2 May 2023.

In May 2019, the Company issued debentures totalling Baht 1,500 million. The debentures have term to maturity of 3 years, maturing in 2 May 2022.

In July 2019, the Company issued debentures totalling Baht 2,000 million. The debentures have term to maturity of 3 years, maturing in 18 July 2022.

In July 2019, the Company issued debentures totalling Baht 500 million. The debentures have term to maturity of 10 years, maturing in 18 July 2029.

In November 2020, the Company issued debentures totalling Baht 3,000 million. The debentures have term to maturity of 3 years and 3 months, maturing in 2 February 2024.

Grand Canal Land Public Company Limited

In November 2017, the Group issued through private placement Baht 1,300 million. The debentures have term to maturity of 3 years, 5 months, maturing on 9 May 2021, and pay interest every quarter.

In April 2018, the Group issued through private placement Baht 1,150 million. The debentures have term to maturity of 4 years, maturing on 26 April 2022, and pay interest every quarter.

Under the loan agreements and conditions regarding the rights and obligations of the debenture issuer stipulate certain covenants which, among other things, require the Group to maintain a debt-to-equity ratio at the rate prescribed in the agreement.

Central Pattana Public Company Limited and its Subsidiaries
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Effective interest rates and reprising / maturing analysis

	Effective interest rate	Loans from-at floating interest rate	Consolidated financial statements			
			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	After 5 years	
<i>At 31 December</i>	(%)		<i>(in million Baht)</i>			Total carrying value
2020						
Loans from financial institutions and institutional investors	0.95 - 5.00	26,769	4,377	13,889	500	45,535
						43,592
2019						
Loans from financial institutions and institutional investors	1.35 - 5.00	14,645	2,636	14,215	1,714	33,210
						33,601
	Effective interest rate	Loans from-at floating interest rate	Separate financial statements			
			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	After 5 years	
<i>At 31 December</i>	(%)		<i>(in million Baht)</i>			Total carrying value
2020						
Loans from financial institutions and institutional investors	0.95 - 5.00	23,687	3,214	12,853	500	40,254
						40,521
2019						
Loans from financial institutions and institutional investors	1.35 - 5.00	10,743	1,236	11,757	1,714	25,450
						25,827

Central Pattana Public Company Limited and its Subsidiaries
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19 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Other accounts payable	6	574	614	332	342
Retention payable		1,921	2,401	916	979
Accrued operating expenses		1,617	1,736	573	702
Advanced received from service income		190	223	88	88
Accrued interest expense		309	301	291	260
Advance received from real estate development for sales	24(d)	45	146	-	-
Others		257	143	96	71
Total		4,913	5,564	2,296	2,442

20 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Defined benefit plan	731	649	583	518

Defined benefit plan

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.

Present value of the defined benefit obligations

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
At 1 January		649	461	518	364
Include in profit or loss:	26				
Current service cost		71	185	56	148
Interest on obligation		19	17	15	14
Total		90	202	71	162
Benefit paid		(8)	(14)	(6)	(8)
At 31 December		731	649	583	518

Project of Central Pattana Group

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	3.2	3.2	3.2	3.2
Future salary growth	6.0 - 8.0	6.0 - 8.0	6.0 - 8.0	6.0 - 8.0

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

At 31 December 2020 and 2019, the weighted-average duration of the defined benefit obligation was 19 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	
	Increase	Decrease	Increase	Decrease
	<i>(in million Baht)</i>			
At 31 December 2020				
Discount rate (1% movement)	(73)	87	(58)	68
Future salary growth (1% movement)	83	(72)	65	(57)
At 31 December 2019				
Discount rate (1% movement)	(65)	78	(51)	61
Future salary growth (1% movement)	74	(64)	58	(51)

Project of Grand Canal Land Group

<i>Principal actuarial assumptions</i>	2020	2019
	<i>(%)</i>	
Discount rate	2.3 - 2.8	2.3 - 2.8
Future salary growth	6.0	6.0
Employee turnover	1.0 - 35.0	1.0 - 35.0

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

At 31 December 2020 and 2019, the weighted-average duration of the defined benefit obligation was 10 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 in the consolidated financial statements by the amounts shown below.

	<i>(in million Baht)</i>	
	Increase	Decrease
31 December 2020		
Discount rate (0.5% movement)	(1)	1
Future salary growth (1% movement)	2	(2)
Employee turnover (10% movement)	(2)	2
31 December 2019		
Discount rate (0.5% movement)	(1)	1
Future salary growth (1% movement)	2	(2)
Employee turnover (10% movement)	(2)	2

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21 Share Capital

Share premium

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

22 Treasury share

The treasury shares account within equity comprises the cost of the Company’s own shares held by the Group.

As at 31 December 2020, the Group held 17.15 million of the Company’s shares, comprising 0.38% of the Company’s issued share capital, at a total cost of Baht 761.22 million.

In February 2020, the Board of Directors of the Company approved a treasury share plan (“Plan”) to re-purchase not more than 1.7%, or 77 million shares, of the Company’s shares then in issue. The purpose of the Plan is to manage the Company’s excess liquidity. The maximum amount approved for share purchase under the Plan is Baht 5,000 million and the price to be paid for the shares is not to exceed 115% of the average closing price on the Stock Exchange of Thailand (“SET”) over the 5 trading days before each share purchase is made. The Company may purchase the shares through the SET during the period from 6 March 2020 to 5 September 2020. The shares purchased may be resold after 6 months but within 3 years from the date of purchase.

23 Reserve

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

Other components of equity

Fair value reserve of 2020

The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at FVOCI.

Fair value reserve of 2019

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

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

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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 and disaggregation of revenue

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 center buildings, office building and condominiums for rent including provision of utility services, operator of play land and water theme park in the shopping center buildings
<i>Segment 2</i>	Food center services in the shopping centers
<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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	Consolidated financial statements						
	Segment 1		Segment 2		Segment 3		Total
	2020	2019	2020	2019	2020	2019	2020
<i>For the year ended 31 December</i>							
<i>Information about reportable segments</i>							
External revenue	24,848	31,843	446	851	306	1,121	27,862
Inter-segment revenue	104	187	-	-	-	3	104
Total segment revenue	24,952	32,030	446	851	306	1,124	27,966
							36,909
<i>Timing of revenue recognition</i>							
At a point in time	-	-	446	851	306	1,124	3,014
Over time	24,952	32,030	-	-	-	-	24,952
Total revenue	24,952	32,030	446	851	306	1,124	27,966
							36,909
Segment profit before income tax	13,159	15,632	47	359	(83)	565	13,846
							17,594
Interest income	1,193	150	-	-	3	6	1,203
Finance costs	1,806	798	-	-	39	-	1,865
Depreciation and amortisation	7,593	6,331	88	71	212	195	7,906
Share of profit of investments in associates and joint ventures	1,042	1,292	-	-	-	-	1,042
Capital expenditure	16,568	7,681	68	147	338	34	16,990
Segment assets	161,284	125,258	421	412	1,488	1,188	172,257
Segment liabilities	32,912	35,305	16	30	1,328	308	34,652
							36,323
Separate financial statements							
	Segment 1		Segment 2		Segment 3		Total
	2020	2019	2020	2019	2020	2019	2020
<i>For the year ended 31 December</i>							
<i>Timing of revenue recognition</i>							
At a point in time	-	-	169	334	-	-	169
Over time	13,642	16,222	-	-	-	-	13,642
Total revenue	13,642	16,222	169	334	-	-	13,811
							16,556

(in million Baht)

(in million Baht)

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(a) *Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items*

	2020	2019
	<i>(in million Baht)</i>	
Revenues		
Total revenue from reportable segments	27,966	36,909
Other revenue	5,299	1,871
	<u>33,265</u>	<u>38,780</u>
Elimination of inter-segment revenue	(104)	(190)
Consolidated revenue	<u>33,161</u>	<u>38,590</u>
Profit		
Total profit for reportable segments	13,846	17,594
Elimination of inter-segment profits	(2,496)	(116)
Unallocated amounts:		
- Other revenue	4,229	1,709
- Other expenses	(4,856)	(6,333)
- Share of profit of associates and joint venture	1,042	1,292
Consolidated profit before income tax	<u>11,765</u>	<u>14,146</u>
Assets		
Total assets for reportable segments	172,257	135,245
Other unallocated amounts		
- Investment	12,147	14,924
- Deferred tax assets	3,392	2,226
- Other assets	33,977	17,538
Consolidated total assets	<u>221,773</u>	<u>169,933</u>
Liabilities		
Total liabilities for reportable segments	34,652	36,323
Other unallocated amounts		
- Loans	46,486	34,029
- Deferred tax liabilities	2,624	1,975
- Other liabilities	60,888	17,144
Consolidated total liabilities	<u>144,650</u>	<u>89,471</u>

Consolidated financial statements

	2020			2019		
	Reportable segment totals	Adjustments	Total	Reportable segment totals	Adjustments	Total
	<i>(in million Baht)</i>					
Other material items						
Interest income	1,203	-	1,203	164	-	164
Interest expense	1,865	-	1,865	813	-	813
Capital expenditure	7,906	-	7,906	6,614	-	6,614
Depreciation and amortisation	16,990	-	16,990	7,885	-	7,885

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(b) Reconciliations of reportable

The Group is mostly managed and operates principally in Thailand. There are no significant revenues derived from, and no significant assets located in foreign countries.

(c) Major customer

Revenue from Central Department Store Group of the Group's 1 and 2 segments represents approximately Baht 2,809 million (2019: Baht 2,499 million) of the Group's total revenues.

(d) Contract Balances

Contract Balances	Consolidated financial statements	
	Contract assets 2020	Contract liabilities 2019
	<i>(in million Baht)</i>	
At 1 January	(146)	(280)
Recognised as revenue during the year	175	340
Advance received	(74)	(206)
At 31 December 2020	(45)	(146)

(g) Revenue expected to be recognised in the future related to performance obligations that are unsatisfied

At 31 December 2020, the Group have revenue expected to be recognised in the future arising from performance obligations that are unsatisfied amounted of Baht 1,608 million and (2019: Baht 1,523 million). The Group will recognise this revenue when a customer obtain control of the goods or services, which is expected to occur over the next 24 months (2019: next 24 months).

25 Other income

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in million Baht)</i>			
Management income	6	803	740	893	1,044
Gain on finance lease		2,800	-	4	-
Compensation from insurance claim		326	-	4	-
Contribution income		80	173	62	147
Gain from sales of investments		12	310	11	310
Others		179	460	480	527
Total		4,200	1,683	1,454	2,028

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26 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Wages and salaries		3,144	3,516	2,164	2,411
Defined benefit plans	20	90	202	71	162
Defined contribution plans		93	86	73	68
Others welfare		274	476	148	220
Total		3,601	4,280	2,456	2,861

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Group at 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.

27 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in million Baht)</i>			
Depreciation and amortisation	12,13,16	7,906	7,117	5,026	3,127
Utility expenses		4,432	5,623	2,722	3,557
Employee benefit expenses	26	3,601	4,280	2,456	2,861
Lease-related expenses (2019: Lease payment)		153	2,657	90	1,558
Cost of sale of real estate		1,467	1,833	-	-
Marketing expenses		673	1,327	364	801
Repair and maintenance		731	875	412	463
Consulting and other fees		486	488	326	288
Others		1,124	726	610	641
Total		20,573	24,926	12,006	13,296

28 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Current tax expense				
Current year	1,912	2,738	732	1,204
Adjustment for prior years	(4)	3	(30)	-
Deferred tax expense				
Movements in temporary differences	239	(405)	(317)	(163)
Total	2,147	2,336	385	1,041

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Consolidated financial statements						
	Before tax	2020 Tax expense	Net of tax (in million Baht)	Before tax	2019 Tax expense	Net of tax
Income tax						
Recognised in other comprehensive income						
Financial assets at FVOCI	(198)	37	(161)	-	-	-
Unrealised (gain) loss from investment	-	-	-	(89)	18	(71)
Total	(198)	37	(161)	(89)	18	(71)

Separate financial statements						
	Before tax	2020 Tax benefit	Net of tax (in million Baht)	Before tax	2019 Tax expense	Net of tax
Income tax						
Recognised in other comprehensive income						
Financial assets at FVOCI	307	(61)	246	-	-	-
Unrealised (gain) loss from investment	-	-	-	(88)	18	(70)
Total	307	(61)	246	(88)	18	(70)

Consolidated financial statements				
	2020		2019	
	Tax rate (%)	(in million Baht)	Tax rate (%)	(in million Baht)
Profit before income tax expense		11,765		14,146
Income tax using the tax rate	20	2,353	20	2,829
Income not subject to tax		(191)		(494)
Additional deductible expenses for tax purposes		(189)		(81)
Expenses not deductible for tax purposes		179		79
Adjustment for prior years		(4)		3
Total	18	2,148	17	2,336

Separate financial statements				
	2020		2019	
	Tax rate (%)	(in million Baht)	Tax rate (%)	(in million Baht)
Profit before total income tax expense		4,146		19,657
Income tax using the tax rate	20	829	20	3,931
Income not subject to tax		(358)		(2,813)
Additional deductible expenses for tax purposes		(68)		(71)
Expenses not deductible for tax purposes		12		(6)
Adjustment for prior years		(30)		-
Total	9	385	5	1,041

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Consolidated financial statements				
<i>Deferred tax</i> <i>At 31 December</i>	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Total	3,329	2,329	-	(103)
Set off of tax	-	(103)	2,264	2,078
Net deferred tax assets (liabilities)	3,329	2,226	2,264	1,975

Separate financial statements				
<i>Deferred tax</i> <i>At 31 December</i>	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Total	2,202	1,113	(94)	(120)
Set off of tax	(94)	(120)	94	120
Net deferred tax assets	2,108	993	-	-

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	Consolidated financial statements			
	At 1 January	Profit or loss	Other comprehensive income (in million Baht)	At 31 December
<i>Deferred tax</i>				
2020				
<i>Deferred tax assets</i>				
Trade accounts receivable (allowance for doubtful accounts)	5	5	-	10
Real estate development for sales	3	-	-	3
Investment properties (allowance for impairment)	20	-	-	20
Investment properties (shopping building under consignment sale agreement)	348	6	-	354
Investment properties (depreciation gap)	-	47	-	1,279
Leasehold rights (difference from recognition of rental expenses by straight-line method)	440	-	-	-
Provisions for employee benefits	128	14	-	142
Deposits received from customers	826	183	-	1,009
Loss carry forward	230	78	-	308
Financial assets measured at FVOCI (decrease in fair value)	32	-	(32)	-
Others	297	(30)	-	267
Total	2,329	303	(32)	3,392
<i>Deferred tax liabilities</i>				
Gain on lease under finance lease	(103)	(431)	-	(534)
Real estate development for sales (gain from fair value adjustment)	(357)	51	-	(306)
Investment properties (gain from fair value adjustment)	(1,617)	-	-	(1,617)
Financial assets at FVOCI (decrease in fair value)	-	-	(5)	(5)
Debt issuance fee	-	(1)	-	(1)
Finance lease receivable	-	(158)	-	(158)
Financial assets at FVTPL (decrease in fair value)	-	(3)	-	(3)
Total	(2,077)	(542)	(5)	(2,624)
Net	252	(239)	(37)	768

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	Consolidated financial statements			
	(Charged) / credited to:			At 31
	At 1	Profit or loss	Other	December
	January	(in million Baht)	comprehensive income	
<i>Deferred tax</i>				
2019				
Deferred tax assets				
Trade accounts receivable (<i>allowance for doubtful accounts</i>)	8	(3)	-	5
Real estate development for sales (<i>allowance for impairment</i>)	3	-	-	3
Investment properties (<i>allowance for impairment</i>)	20	-	-	20
Investment properties (<i>shopping building under consignment sale agreement</i>)	358	(10)	-	348
Leasehold rights (<i>difference from recognition of rental expenses by straight-line method</i>)	396	44	-	440
Provisions for employee benefits	89	39	-	128
Deposits received from customers	807	19	-	826
Loss carry forward	148	82	-	230
Unrealised loss from investment	50	-	(18)	32
Others	231	66	-	297
Total	2,110	237	(18)	2,329
Deferred tax liabilities				
Gain on lease under finance lease	(210)	107	-	(103)
Real estate development for sales (<i>gain from fair value adjustment</i>)	(418)	61	-	(357)
Investment properties (<i>gain from fair value adjustment</i>)	(1,617)	-	-	(1,617)
Total	(2,245)	168	-	(2,077)
Net	(135)	405	(18)	252

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	At 1 January	Separate financial statements (Charged) / credited to:			At 31 December
		Profit or loss	Other comprehensive income (in million Baht)	Equity	
Deferred tax					
2020					
Deferred tax assets					
Trade accounts receivable (allowance for doubtful accounts)	4	2	-	-	6
Leasehold rights (difference from recognition of rental expenses by straight-line method)	415	-	-	(415)	-
Investment properties (depreciation gap)	-	68	-	1,152	1,220
Provisions for employee benefits	104	14	-	-	118
Deposits received from customers	432	190	-	-	622
Financial assets measured at FVOCI (decrease in fair value)	35	-	62	-	97
Others	158	(19)	-	-	139
Total	1,148	255	62	737	2,202
Deferred tax liabilities					
Gain on lease under finance lease	(155)	62	-	-	(93)
Debtenture issuance fee	-	(1)	-	-	(1)
Total	(155)	61	-	-	(94)
Net	993	316	62	737	2,108

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	Separate financial statements (Charged) / credited to:		
	At 1 January	Profit or loss (in million Baht)	At 31 December
<i>Deferred tax</i>			
2019			
<i>Deferred tax assets</i>			
Trade accounts receivable (<i>allowance for doubtful accounts</i>)	6	(2)	4
Leasehold rights (<i>difference from recognition of rental expenses by straight-line-method</i>)	389	26	415
Provisions for employee benefits	73	31	104
Deposits received from customers	422	10	432
Others	121	37	158
Total	1,011	102	1,113
<i>Deferred tax liabilities</i>			
Gain on lease under finance lease	(216)	61	(155)
Unrealised loss from investment	53	-	35
Total	(163)	61	(120)
Net	848	163	993

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<i>Unrecognised deferred tax assets</i>	Consolidated financial statements	
	2020	2019
	<i>(in million Baht)</i>	
Loss carry forward	618	541

The tax losses are the deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

29 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht/million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>9,557</u>	<u>11,738</u>	<u>3,760</u>	<u>18,615</u>
Number of ordinary shares outstanding	<u>4,488</u>	<u>4,488</u>	<u>4,488</u>	<u>4,488</u>
Basic earnings per share (in Baht)	<u>2.13</u>	<u>2.62</u>	<u>0.84</u>	<u>4.15</u>

30 Dividends

At the Board of Directors' Meeting of the Company held on 15 May 2020, approve the interim dividend payment against the net profit as at 31 December 2019 at Baht 0.8 per share, totalling Baht 3,576.6 million, decreasing from the prior rate that determine the dividend payment at Baht 1.3 per share in accordance with the prior resolution of the Board of Directors' Meeting of the Company held on 20 February 2020 due to the COVID-19 outbreak. The dividend payment already paid to shareholders in June 2020.

At the annual general meeting of the shareholders of the Company held on 26 April 2019, the shareholders approved a resolution to approve the appropriation of dividend from operating result in 2018 of Baht 1.1 per share, amounting to Baht 4,936.6 million. The dividend was paid to the shareholders in May 2019.

31 Financial instruments

(a) Carrying amounts 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.

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	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2 (in million Baht)	Level 3	
31 December 2019					
<i>Financial assets measured at fair value</i>					
Equity securities available for sale	1,494	1,494	-	-	1,494
Investments in marketable unit trusts classified as available-for-sale investments	534	-	534	-	534
<i>Financial assets and financial liabilities not measured at fair value</i>					
Investment in fund	5,444	-	8,237	-	8,237
Short-term loans from financial institutions	(3,600)	-	-	(3,600)	(3,600)
Current portion of loans from financial institutions and institutional investors	(2,369)	-	-	(2,387)	(2,387)
Loans from financial institutions and institutional investors	(19,481)	-	-	(19,840)	(19,840)

Financial instruments measured at fair value

Type	Valuation technique
Investments in debt instruments classified as financial assets measured at FVTPL	The net asset value as of the reporting date.
Investments in equity instruments classified as financial assets measured at FVOCI	The adjusted net asset value as of the reporting date.

(b) Movement of equity and debt securities

Equity and debt securities	Consolidated financial statements			
	At 1 January	Purchase/ Transfer	Disposal (in million Baht)	Fair value adjustment
2020				
Current financial assets				
Equity securities measured at FVOCI	3	-	-	(1)
Debt securities measured at FVTPL	998	14,376	(13,368)	(2)
Total	1,001	14,376	(13,368)	(3)
Non-current financial assets				
Equity securities measured at FVOCI	1,613	-	-	201
Debt securities measured at FVTPL	143	(2)	-	1
Total	1,756	(2)	-	202
2019				
Current investments				
Available-for-sale securities	46	11,115	(10,161)	1
Long-term investment in related parties				
Available-for-sale securities	1,909	73	(511)	86
Other long-term investments				
Available-for-sale securities	173	25	-	1

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	Separate financial statements				
	At 1 January	Purchase/ Transfer	Disposal (in million Baht)	Fair value adjustment	At 31 December
<i>Equity and debt securities</i>					
2020					
<i>Current financial assets</i>					
Equity securities measured at FVOCI	3	-	-	(1)	2
Debt securities measured at FVTPL	534	11,955	(12,063)	(2)	424
Total	537	11,955	(12,063)	(3)	426
<i>Non-current financial assets</i>					
Equity securities measured at FVOCI	1,492	-	-	(304)	1,188
Debt securities measured at FVTPL	2	(2)	-	-	-
Total	1,494	(2)	-	(304)	1,188
2019					
<i>Current investments</i>					
Available-for-sale securities	45	10,465	(9,975)	2	537
<i>Long-term investment in related parties</i>					
Available-for-sale securities	1,843	73	(511)	86	1,491
<i>Other long-term investments</i>					
Available-for-sale securities	3	-	-	-	3

(c) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

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(c.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 24(b)-(c).

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 1 - 6 times of monthly rental income from customers.
- To terminate rental contracts for tenants whose rental fees are outstanding over 90 days.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets.

	Consolidated financial statements		Separate financial statements	
	Trade accounts receivables	Allowance for impairment losses (in million Baht)	Trade accounts receivables	Allowance for impairment losses
At 31 December 2020				
Personal: non-related parties				
Within credit terms	7	-	3	-
Overdue:				
Less than 3 months	82	(1)	46	-
3 - 6 months	18	-	12	-
6 - 12 months	14	-	8	-
Over 12 months	12	(3)	5	(2)
Total	133	(4)	74	(2)
Less: allowance for expected credit loss	(4)		(2)	
Net	129		72	
Deposits from overdue customers	195		111	
Corporate: non-related parties				
Within credit terms	134	(1)	97	-
Overdue:				
Less than 3 months	939	(5)	655	(3)
3 - 6 months	295	(1)	195	(1)
6 - 12 months	198	(1)	99	(1)
Over 12 months	136	(35)	57	(23)
Total	1,702	(43)	1,103	(28)
Less: allowance for expected credit loss	(43)		(28)	
Net	1,659		1,075	
Accrued income under operation leases	976		672	
Deposits from overdue customers	6,631		3,916	

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<i>Trade accounts receivables</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
At 31 December 2020		
Related parties		
Within credit terms	163	194
Overdue:		
Less than 3 months	235	144
3 - 6 months	112	53
6 - 12 months	96	59
Over 12 months	43	27
Total	649	477
Accrued income under operation leases	158	91
Deposits from overdue customers	778	483

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions.

<i>Trade accounts receivables</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
At 31 December 2019		
Related parties		
Within credit terms	133	129
Overdue:		
Less than 3 months	140	180
3 - 6 months	31	18
6 - 12 months	9	6
Over 12 months	32	18
Total	345	351
Deposits from overdue customers	863	416
Other parties		
Within credit terms	219	165
Overdue:		
Less than 3 months	553	330
3 - 6 months	95	62
6 - 12 months	83	39
Over 12 months	91	68
Total	1,041	664
Less: allowance for doubtful accounts	(31)	(18)
Net	1,010	646
Deposits from overdue customers	6,432	2,896

The normal credit term granted by the Group ranges from 1 days to 30 days

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<i>Movement of allowance for expected credit loss of trade accounts receivables</i>	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
At 1 January 2020	30	18
Addition	162	76
Reversal	(145)	(64)
At 31 December 2020	47	30

(c.1.2) Investment in debt securities

The Group limits its exposure to credit risk by investing only in liquid debt securities and the Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields and, where available, credit default swap (CDS) prices together with available press and regulatory information about debtors.

(c.2) Liquidity risk

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

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements				
		Contractual cash flows		
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 years	Total
		<i>(in million Baht)</i>		
<i>Non-derivative financial liabilities</i>				
Trade payables	911	911	-	911
Contractor payables	2,098	2,098	-	2,098
Loans from related parties	950	226	724	950
Loans from financial institutions	29,340	13,742	15,598	29,340
Lease liabilities	45,598	2,346	81,400	83,746
Deposits received from customers	7,866	5,932	1,934	7,866
Debentures	16,195	4,163	12,032	16,195
	102,958	29,418	111,688	141,106

Separate financial statements				
		Contractual cash flows		
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 years	Total
		<i>(in million Baht)</i>		
<i>Non-derivative financial liabilities</i>				
Trade payables	402	402	-	402
Contractor payables	94	94	-	94
Loans from related parties	18,120	10,505	7,615	18,120
Loans from financial institutions	26,258	13,192	13,066	26,258
Lease liabilities	32,261	1,497	43,226	44,723
Deposits received from customers	4,673	3,919	754	4,673
Debentures	13,996	3,000	10,996	13,996
	95,804	32,609	75,657	108,266

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(c.3) Market risk

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

(c.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

Exposure to foreign currency at 31 December	Note	Consolidated financial statements	
		2020	2019
		<i>(in million Baht)</i>	
Hong Kong Dollars			
Cash and cash equivalents	7	-	1
Net statement of financial position exposure		-	1
Ringgit Malaysia			
Cash and cash equivalents	7	85	51
Trade accounts receivables		117	30
Other receivables		-	27
Other non-current assets	17	9	16
Trade accounts payable		(35)	(58)
Other payables		(1,093)	(957)
Contractor payable	19	(1)	-
Net statement of financial position exposure		(918)	(891)
United States Dollars			
Cash and cash equivalents	7	-	209
Other receivables		8	-
Other non-current assets	17	-	6,126
Other payables	19	(3)	-
Net statement of financial position exposure		5	6,335
Net exposure		(913)	5,445

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Ringgit Malaysia against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

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<i>At 31 December 2020</i>	Movement (%)	Consolidated financial statements	
		Profit or loss Strengthening (in million Baht)	Weakening
Ringgit Malaysia	1	9	(9)

(c.3.2) 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 loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk. The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates, to manage exposure to fluctuations in interest rates on specific borrowings.

The effective interest rates of loans receivable and interest-bearing financial liabilities 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 6 Related parties
 Note 18 Interest-bearing liabilities

32 Capital management

The Board of Directors' 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.

33 Leasing properties

Additional leased properties to CPN Retail Growth Leasehold REIT ("CPNREIT")

On 9 October 2019, at the Board of Directors meeting approved CPNREIT to lease the Group's assets 5 projects namely Central Marina project, CentralPlaza Lampang project, CentralPlaza Surat Thani projects, CentralPlaza Ubon Ratchathani project and CentralPlaza Rama 2 project (Renewal period). As the lease of assets to CPNREIT fall within the meaning of the disposition of assets based on the value of the consideration given or received basis, calculated using the basis of the total value of consideration, which represents the highest transaction value, compared to all other approaches required by the Notifications on Asset Acquisition or Disposal. The highest amount of such transaction invested by CPNREIT is estimated Baht 48,560 million.

In March 2020, the Company had informed by CPN REIT Management Co., Ltd. ("REIT Manager") for CPNREIT that it is necessary to postpone the subscription period for the issuance and offering of such additional trust units as well as the lease of partial assets of the Company. Nonetheless, CPNREIT will continue to renew the leasehold right of CentralPlaza Rama II project (Renewal period) from the Company as previously planned.

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CPN Retail Growth Leasehold REIT ("CPNREIT")

At the Extraordinary General Meeting of Unitholders' of CPNREIT held on 22 November 2019, had significant resolutions as follows:

1. To approve of additional investments in 5 projects namely CentralMarina project, CentralPlaza Lampang project, CentralPlaza Surat Thani project, CentralPlaza Ubon Ratchathani project, and CentralPlaza Rama II project (Renewal period) ("Group-1 Assets") from the Group with the total investment value of not exceeding Baht 48,560 million and appoint the Company as a Property manager.
2. To approve of additional investments in 2 projects namely The Ninth Towers Office Building project and Unilever House Office Building project ("Group-2 Assets") from GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT") with the total investment value of not exceeding Baht 7,430 million and appoint Grand Canal Land Public Company Limited ("GLAND") and Sterling Equity Company Limited ("Sterling") as a Property manager.
3. To approve an amendment of the Property Manager Appointment Agreement for the assets currently invested in by CPNREIT, which are CentralPlaza Rama II project, CentralPlaza Rama III Project, Central Plaza Pinklao project, CentralPlaza Chiangmai Airport project, Central Festival Pattaya Beach project.

In March 2020, REIT Manager deems it appropriate to postpone the period for additional investments in properties as stated in No. 1. Except for the renewal leasehold right of CentralPlaza Rama II project (Renewal period).

GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT")

At the Extraordinary General Meeting of Unitholders' of GLANDRT held on 22 November 2019, had resolution to acknowledge the timeline of transferred properties of GLANDRT to CPNREIT and delisting from the Stock Exchange of Thailand of trust units of GLANDRT. In addition, unitholders approved the dissolution, liquidation, and delisting from being listed securities on the Stock Exchange of Thailand to be completed within April 2020.

On 13 February 2020, the Board of Director's meeting of GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT") had passed resolutions as follows:

- Dividend payment from the operation period from 1 October 2019 to 31 December 2019 to the trust unitholders at the rate of Baht 0.2078 per trust unit, totalling Baht 103.85 million which paid to the trust unitholders on 12 March 2020.
- To pay benefits from the disposal of assets of the Trust to the trust unitholders at the rate of 3.9040 Baht per unit, totalling Baht 1,951.10 million. Such benefits paid to the trust unitholders on 12 March 2020.
- To reduce the paid-up capital of the Trust at the rate of 9.1200 Baht per unit Trust, totalling Baht 4,557.89 million. Such benefits paid to Trust unit holders on 12 March 2020.

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- Decided to set the date to determine the list of GLANDRT's trust unitholders eligible to subscribe to CPNREIT's Additional Trust Units (to post XB sign) on 25 February 2020 and set the book closing date to determine the rights of GLANDRT's trust unitholders eligible to subscribe to Additional Trust Units on 27 February 2020.

GLANDRT had dissolution and delisting from being listed securities on the Stock Exchange of Thailand on 3 March 2020.

CentralPlaza Rama II project (Renewal period)

On 31 March 2020, CPNREIT had the registration of the leasehold rights over the real property in CentralPlaza Rama II project (Renewal period) that was in accordance with the conditions in the sublease property agreement between Central Pattana Rama 2 Company Limited, a subsidiary company, and CPNREIT, for a lease period of 30 years, starting from 16 August 2025 to 15 August 2055, CPNREIT will pay the rental throughout the lease term of Baht 25,394 million in 2025 and placed the guarantee to the Group of Baht 1,800 million. The lease agreement can be renewed according to the mutually agreed conditions by informing a written notice at least 12 months in advance before the expiration of the rental period. Assets under lease agreements are as follows:

- Leasing building and structures of CentralPlaza Rama II, including part of the shopping center and the indoor parking area
- Leasing the system relevant to the building and structures of CentralPlaza Rama II.

34 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
<i>Capital commitments</i>				
Contracted but not provide for Buildings and facility systems	3,466	606	2,379	271
<i>Other commitments</i>				
Bank guarantees	967	750	375	378
Service agreement	48	156	-	-
Real estate projects under development agreements	708	1,325	-	-
Total	1,723	2,231	375	378

- (a) 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

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- (b) The Group entered into a land lease agreement with a third party for the construction of a shopping center 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.
- (c) The Group entered into a land lease agreement with the third party for the construction of a shopping center 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.
- (d) On 29 June 2007, the Group entered into two land lease agreements with a local company for the construction of a shopping center 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).
- (e) The Group entered into three lease agreements with other parties for the construction of shopping center 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 center 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.

Subsequently, in 2018, the Group has extended the land lease agreements period and has entered into new land lease agreements with the third parties who were the existing lessors, with two plots. The first plot has a period of 37 years and 1 month ending in August 2055, and the second plot has a period of 42 years and 1 month ending in June 2060. Under the conditions of the agreement, the Group has to pay fees and monthly rental fees which will be increased every 5 years. The land lease agreements can be renewed for a further period of not less than 15 years by giving written notification three years in advance prior to expiration of the lease period as mutually agreed rate and compensation. At the expiration of the lease agreement the Group will transfer the ownership rights of shopping center buildings and structures thereon to the lessors

- (f) The Group entered into three land lease agreements with the third parties for the construction of shopping center 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 other party. 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 other party (“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 other party.

On 19 August 2011, the Group entered into the addition land with structure lease agreement from the principal agreement with other party. 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 other party 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 31st 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 center 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 part of 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 other 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 other 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 other parties for the construction of shopping centers 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 other parties for the construction of shopping centers 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 other party 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 other party for construction of a shopping center 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.
- (m) The Company entered into several land lease agreements with other party for construction of a shopping center 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.

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- (n) The Company entered into sublease land agreements, utility system service agreements and shopping center 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 other party for construction of a shopping center. 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 the lease agreement extension for another 10 years. The agreement will end in June 2056.
- (p) The Group entered into a land lease agreement with other party for a period of 30 years commencing after the construction period (from July 2017 to July 2024) and ending in June 2054. The agreement can be extended for another 29 years 6 months ending in December 2083. The rental throughout the agreement period is totalling Baht 8,234.3 million.
- (q) The Group entered into a land lease agreement with other party for a period of 30 years commencing in January 2021 and ending in December 2050. The agreement can be extended for another 30 years. Under the conditions of the agreements, the Company had to pay for leasehold right to the lessor in the amount of Baht 175 million and annual rental throughout the agreement period totalling Baht 575 million. Subsequently, the Group entered into a memorandum addendum of land lease agreement which defined the Company to pay additional land rental totalling Baht 160 million.

35 Litigation

During 2017, Bayswater Company Limited was being sued in a civil lawsuit by an individual person who request Bayswater Company Limited to register use of the entrance as a prescriptive servitude or as the public road. In March 2018, the Civil Court dismissed such request and the Appeal Court affirmed the Civil Court decision in January 2020. However, such individual person made a final appeal to the Supreme Court. In August 2020, the Supreme Court dismissed such request and did not accept the plaintiff's petition, so the case was final.

36 Events after the reporting period

- 36.1 As disclosed in note 5, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

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- 36.2 The Company issued Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debenture holders' representative as follows:

In January 2021, the Company issued debentures totalling Baht 1,250 million. The debentures have term to maturity of 5 years, maturing in January 2026.

In January 2021, the Company issued debentures totalling Baht 750 million. The debentures have term to maturity of 5 years, maturing in January 2026.

In January 2021, the Company issued debentures totalling Baht 2,000 million. The debentures have term to maturity of 3 years, maturing in January 2024.

- 36.3 In January 2021, the Company paid to purchase the ordinary shares of Suanlum Property Co., Ltd., from Dusit Thani Public Company Limited of 94,600 shares amounting to Baht 259.58 million. As a result, the proportion of shareholding increased from 78% to 83.5% in accordance with the condition of the agreement.

- 36.4 At the Board of Directors' Meeting of the Company held on 18 February 2021, the Board of Directors had a resolution to propose shareholders of the Annual General Meeting to approve the appropriation of dividend of Baht 0.7 per share. The record date for the right to receive dividend will be on 5 March 2021.

37 Reclassification of accounts

Certain accounts in the statement of financial position for the year 2019 and statement of comprehensive income for the year ended 31 December 2019 have been reclassified to conform to the presentation in the financial statements for year ended 31 December 2020. Other significant reclassifications were as follows:

	2019					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	(in million Baht)					
Statement of financial position						
Right-of-use assets	377	(377)	-	280	(280)	-
Other non-current assets	1,632	377	2,009	241	280	521
		<u>-</u>			<u>-</u>	

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

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