CENTER of LIFE



Annual Report 2017
(Financial Report)



Central Pattana Public Company Limited

Location 30th – 33rd Floor, The Offices at CentralWorld,

999/9 Rama I Road, Patumwan Sub-District, Patumwan District, Bangkok 10330, Thailand

Telephone + 66 (0) 2667 5555

Corporate Website www.cpn.co.th

Registration No 0107537002443

Year of Establishment 1980

Business Overview Develop and invest in retail property for rent comprising

large-scale shopping complexes and other related supportive businesses. In addition, the Company invests in property fund and real estate investment trust and acts as a property

manager of the fund.

Securities Information Common shares of Central Pattana Plc. were listed and

traded on the Stock Exchange of Thailand in 1995 under

the abbreviated security name of "CPN".

Registered Capital Baht 2,244,000,000

Issued and Paid-up

Capital

Baht 2,244,000,000 comprising ordinary shares of 4,488,000,000 shares Par value of Baht 0.5 per share

Contacts Telephone : + 66 (0) 2667 5555 Ext. 1665, 1684, 1685,

Company Secretary 1686 and 1687

Email : co.secretary@cpn.co.th

Investor Relations Telephone : + 66 (0) 2667 5555 Ext. 1614, 1632, 1633

and 1689

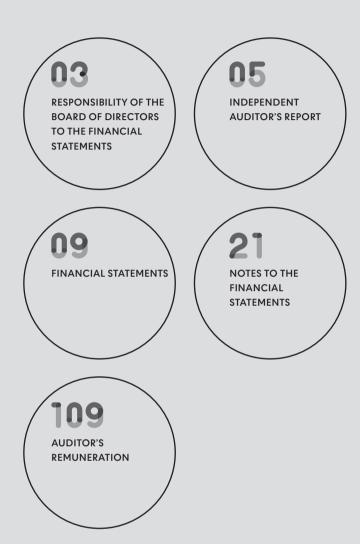
Email : ir@cpn.co.th

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

Annual Report 2017 (Financial Report) CENTRAL PATTANA PUBLIC COMPANY LIMITED



CONTENTS



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, 2017.

Mr. Suthichai Chirathivat

Chairman

Mr. Preecha Ekkunagul

Director President & CEO



Financial Statements for the Year Ended 31 December 2017 and Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Central Pattana Public Company Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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Refer to Note 3 (q) to the consolidated and separate financial statements.

The key audit matter

Revenue from rental and service are significant amounts in the financial statements. Those revenues are based on a large number of tenancy agreements and service agreements, each with variety of contractual terms and conditions including rental and service discounts given to tenants. Consequently, the accuracy and completeness of revenue recognition relating to tenancy agreements and service agreements is an area of focus for my audit.

How the matter was addressed in the audit

Audit procedures included:

- 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 agreeing contractual terms and conditions stipulated in the lease agreements with related documents including collection; and
- assessing the adequacy of the disclosure in accordance with the related Thai Financial Reporting Standards.

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

(Bongkot Amsageam) Certified Public Accountant

Logh A.

Registration No. 3684

KPMG Phoomchai Audit Ltd. Bangkok 19 February 2018

Central Pattana Public Company Limited and its Subsidiaries Statement of financial position

		Consolidated fin	ancial statements	Separate financ	cial statements
		31 December	31 December	31 December	31 December
Assets	Note	2017	2016	2017	2016
			(in I	Baht)	
Current assets					
Cash and cash equivalents	5	2,418,138,796	2,488,945,220	1,505,217,748	1,539,985,511
Current investments	6	2,943,116,488	591,169,158	2,943,116,488	565,143,991
Trade accounts receivable	4, 7	1,308,097,843	1,102,326,944	878,840,469	672,030,518
Other current receivables	4, 8	2,838,749,752	1,924,457,452	2,845,197,533	1,131,517,419
Real estate projects under development	9	3,606,162,607	428,460,252	-	-
Short-term loans to related parties	4			1,281,303,012	624,577,121
Total current assets		13,114,265,486	6,535,359,026	9,453,675,250	4,533,254,560
Non-current assets					
Investments in subsidiaries and funds	10	-	-	24,901,031,928	24,455,496,988
Investment in associates	12	5,920,082,060	5,568,957,367	7,867,432,436	7,578,673,686
Investment in joint ventures	12	380,079,010	587,146,302	232,499,900	-
Long-term investments related-parties	6	66,250,000	66,250,000	-	-
Other long-term investments	6	127,555,078	126,891,479	3,184,560	3,230,700
Long-term loans to related parties	4	134,319,205	-	16,087,529,371	11,965,853,555
Investment properties	13	84,972,214,794	76,700,380,637	41,907,656,364	38,121,571,850
Property, plant and equipment	14	1,675,813,726	1,796,803,659	363,327,709	352,653,195
Leasehold rights	15	11,207,056,686	10,647,331,203	6,101,449,536	6,274,495,036
Right for usage of assets	16	451,942,388	481,771,302	346,867,844	372,836,173
Deferred tax assets	17	1,422,943,436	1,215,934,265	670,861,951	540,385,358
Other non-current assets	4, 18	1,101,068,594	800,522,928	229,620,605	468,633,305
Total non-current assets		107,459,324,977	97,991,989,142	98,711,462,204	90,133,829,846
Total assets		120,573,590,463	104,527,348,168	108,165,137,454	94,667,084,406

Central Pattana Public Company Limited and its Subsidiaries Statement of financial position

		Consolidated fin	ancial statements	Separate finan	cial statements
		31 December	31 December	31 December	31 December
Liabilities and equity	Note	2017	2016	2017	2016
			(in B	Paht)	
Current liabilities					
Trade accounts payable	4, 20	1,105,875,706	825,232,064	594,832,433	452,735,719
Other current payables	21	5,317,472,349	5,548,299,262	2,540,945,555	2,367,360,725
Short-term loans from related parties	4, 19	-	-	8,759,460,386	15,755,599,137
Short-term loans from other parties		14,229,014	-	-	-
Current portion of account payable for					
leasehold right	4	33,333,333	-	33,333,333	-
Current portion of long-term loans	19	2,274,077,220	4,707,620,460	2,233,600,000	4,640,970,000
Current portion of advance received					
from rental and service income	4	1,387,287,909	682,447,731	114,720,349	87,961,860
Income tax payable		455,838,437	725,980,066	98,501,198	162,515,394
Current portion of employee benefit obligations	22	13,128,350	3,764,378	11,744,867	3,059,712
Contractor payables		3,752,736,726	2,388,823,882	1,823,927,428	1,805,458,251
Total current liabilities		14,353,979,044	14,882,167,843	16,211,065,549	25,275,660,798
Non-current liabilities					
Long-term loans from related parties	4, 19	-	-	25,058,486,213	3,460,148,735
Other long-term loans	19	7,255,200,000	13,196,667,220	7,255,200,000	13,156,190,000
Accounts payable for leasehold right	4	418,017,667	300,000,000	418,017,667	300,000,000
Deferred tax liabilities	17	-	35,150,933	-	-
Advance received from rental and					
service income	4, 37	26,938,527,778	15,679,144,770	2,347,130,677	2,071,987,785
Deposits received from customers	4	6,858,851,553	6,610,973,742	3,320,727,205	3,102,622,465
Employee benefit obligations	22	345,494,336	308,314,770	296,255,374	263,493,864
Provision for decommissioning and restoration		264,368,003	253,704,982	264,368,003	253,704,982
Guarantees received for leasehold rights	4	259,365,296	256,422,342	239,876,794	244,964,784
Total non-current liabilities		42,339,824,633	36,640,378,759	39,200,061,933	22,853,112,615
Total liabilities		56,693,803,677	51,522,546,602	55,411,127,482	48,128,773,413

Central Pattana Public Company Limited and its Subsidiaries Statement of financial position

		Consolidated fin	ancial statements	Separate finan	cial statements
		31 December	31 December	31 December	31 December
Liabilities and equity	Note	2017	2016	2017	2016
			(in I	Baht)	
Equity					
Share capital	23				
Authorised share capital		2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Issued and paid-up share capital		2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Premium on ordinary shares	23	8,558,557,850	8,558,557,850	8,558,557,850	8,558,557,850
Retained earnings					
Appropriated to legal reserve	24	224,400,000	224,400,000	224,400,000	224,400,000
Unappropriated		50,890,234,034	41,052,032,491	41,720,969,366	35,508,499,186
Other components of equity	24	(116,168,918)	(41,943,210)	6,082,756	2,853,957
Equity attributable to owners of the				·	
Company		61,801,022,966	52,037,047,131	52,754,009,972	46,538,310,993
Non-controlling interests	11	2,078,763,820	967,754,435		
Total equity		63,879,786,786	53,004,801,566	52,754,009,972	46,538,310,993
Total liabilities and equity		120,573,590,463	104,527,348,168	108,165,137,454	94,667,084,406

Central Pattana Public Company Limited and its Subsidiaries Statement of comprehensive income

		Consolidate	ed financial	Separate	financial
		staten	nents	staten	nents
		For the ye	ear ended	For the ye	ear ended
		31 Dec	ember	31 Dec	ember
	Note	2017	2016	2017	2016
			(in B	aht)	
Income					
Revenue from rent and services	4	26,057,214,156	25,246,527,485	13,707,244,343	13,039,124,372
Revenue from food and beverage	4	1,630,596,993	1,389,464,959	533,063,828	365,332,353
Revenue from hotel operation		1,097,195,048	997,708,008	-	-
Investment income	4, 26	23,211,972	26,996,313	7,147,769,230	4,940,195,618
Revenue from insurance compensation	36	3,500,000,000	-	-	-
Other income	4, 27	2,309,066,459	1,600,219,458	2,043,179,227	1,578,919,823
Total income		34,617,284,628	29,260,916,223	23,431,256,628	19,923,572,166
Expenses					
Cost of rent and services	4	12,894,153,904	12,629,537,595	7,651,402,447	7,385,858,371
Cost of food and beverage	4	1,280,463,427	1,085,564,106	418,557,333	280,948,836
Cost of hotel operation		343,542,403	325,496,518	-	-
Administrative expenses	4, 28	5,109,938,621	4,406,412,984	3,665,876,379	3,170,189,825
Finance costs	4, 31	363,859,110	633,460,339	1,049,098,043	1,251,273,521
Total expenses		19,991,957,465	19,080,471,542	12,784,934,202	12,088,270,553
Share of profit of associates and joint ventures	12	838,708,545	852,918,952	<u>-</u>	_
Profit before income tax expense		15,464,035,708	11,033,363,633	10,646,322,426	7,835,301,613
Income tax expense	32	(1,794,526,413)	(1,686,336,102)	(708,847,687)	(634,827,027)
Profit for the year		13,669,509,295	9,347,027,531	9,937,474,739	7,200,474,586
Other comprehensive income					
Items that are or may be reclassified to profit	or loss				
Foreign currency translation differences for					
foreign operations		(77,655,190)	(2,665,089)	-	-
Gains on remeasuring available-for-sale					
investments		3,429,482	833,411	3,228,799	9,050
Other comprehensive income					
for the year, net of income tax		(74,225,708)	(1,831,678)	3,228,799	9,050
Total comprehensive income for the year		13,595,283,587	9,345,195,853	9,940,703,538	7,200,483,636

Central Pattana Public Company Limited and its Subsidiaries Statement of comprehensive income

		Consolidate	d financial	Separate	financial
		staten	nents	staten	ients
		For the ye	ar ended	For the ye	ar ended
		31 Dec	ember	31 Dec	ember
	Note	2017	2016	2017	2016
			(in Bo	aht)	
Profit attributable to:					
Owners of the Company		13,567,644,892	9,243,796,650	9,937,474,739	7,200,474,586
Non-controlling interests	11	101,864,403	103,230,881		
Profit for the year		13,669,509,295	9,347,027,531	9,937,474,739	7,200,474,586
Total comprehensive income attributable to:					
Owners of the Company		13,493,419,184	9,241,964,972	9,940,703,538	7,200,483,636
Non-controlling interests	11	101,864,403	103,230,881	-	-
Total comprehensive income for the year		13,595,283,587	9,345,195,853	9,940,703,538	7,200,483,636
Basic earnings per share (in Baht)	33	3.02	2.06	2.21	1.60

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

(3,141,511,380) (3,141,511,380)46,801,116,792 864,523,253 301 controlling interests Non-(54,371,775) (40,111,532) 45,936,593,539 (3,141,511,380) (3,141,511,380) attributable to owners of parent Equity of shareholders' components Total other equity under common control Other components of shareholders' equity business combination Surplus on Consolidated financial statements translation Available-for-sale investments (in Baht) Other comprehensive income 15,393,597 (1,133,354)differences Currency (3,141,511,380) 34,949,747,221 (3,141,511,380)Unappropriated Retained earnings 224,400,000 reserve Legal 8,558,557,850 ordinary shares Share premium on 2,244,000,000 share capital Issued and paid-up Note 34 01 Acquisition of non-controlling interests without Total distributions to owners of the Company Changes in ownership interests in subsidiary Transactions with owners, recorded directly Distributions to owners of the Company Total changes in ownership interests in Dividends to owners of the Company Year ended 31 December 2016 Balance at 1 January 2016 a change in control

Total equity

Profit		•	•	9,243,796,650	٠	٠		٠	9,243,796,650	103,230,881	9,347,027,531
Other comprehensive income	٠	٠	,		(2,665,089)	833,411	-	(1,831,678)	(1,831,678)	,	(1,831,678)
Total comprehensive income for the year	•	,		9,243,796,650	(2,665,089)	833,411		$\overline{}$	9,241,964,972	103,230,881	9,345,195,853
Balance at 31 December 2016	2,244,000,000 8,558,557,850	8,558,557,850	224,400,000	41,052,032,491	(3,798,443)	16,227,008	(54,371,775)	(41,943,210)	52,037,047,131	967,754,435	53,004,801,566

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(3,141,511,380)

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301 301

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

subsidiary

Total transactions with owners, recorded directly in

equity

Comprehensive income for the year

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

Consolidated financial statements

							Other components	Other components of shareholders' equity	ý			
				Retaine	Retained earnings	Other comprel	Other comprehensive income	Surplus on	Total other	Equity		
		Issued and	Share premium			Currency		business combination	components	attributable to	Non-	
		paid-up	on	Legal		translation	translation Available-for-sale	of entities	of shareholders'	owners of	controlling	Total
	Note	share capital	ordinary shares	reserve	Unappropriated	differences	investments	investments under common control	equity	parent	interests	equity
							(in Baht)					
Year ended 31 December 2017 Balance at 1 January 2017		2,244,000,000	8,558,557,850	224,400,000	41,052,032,491	(3,798,443)	16,227,008	(54,371,775)	(41,943,210)	52,037,047,131	967,754,435	53,004,801,566
Transactions with owners, recorded directly												
in equity												
Distributions to owners of the Company												
Dividends to owners of the Company	34	•		1	(3,725,004,559)	•	•		•	(3,725,004,559)		(3,725,004,559)
Total distributions to owners of the Company					(3,725,004,559)	١	'		'	(3,725,004,559)		(3,725,004,559)
Changes in ownership interests in subsidiary												
Acquisition of non-controlling interests without												
a change in control	10	,		,	•		٠	•	•	,	498,330,896	498,330,896
Acquisition of non-controlling interests with												
a change in control	10		•	1	(4,438,790)	1				(4,438,790)	510,814,086	506,375,296
Total changes in ownership interests in												
subsidiary		•			(4,438,790)	'				(4,438,790)	1,009,144,982	1,004,706,192
Total transactions with owners, recorded directly in	y ii											
equity			1		(3,729,443,349)			ı		(3,729,443,349)	1,009,144,982	(2,720,298,367)
Comprehensive income for the year												
Profit		•			13,567,644,892		٠	•	•	13,567,644,892	101,864,403	13,669,509,295
Other comprehensive income				-		(77,655,190)	3,429,482		(74,225,708)	(74,225,708)		(74,225,708)
Total comprehensive income for the year		•	•		13,567,644,892	(77,655,190)	3,429,482	1	(74,225,708)	13,493,419,184	101,864,403	13,595,283,587
Balance at 31 December 2017		2,244,000,000	8,558,557,850	224,400,000	50,890,234,034	(81,453,633)	19,656,490	(54,371,775)	(116,168,918)	61,801,022,966	2,078,763,820	63,879,786,786

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

Statement of changes in equity

Separate financial statements

Other component Issued Share premium Retained earnings of equity	and paid on Legal Investments held as	Note share capital ordinary shares reserve Unappropriated available for sale	(in Baht)	$2,244,000,000 \\ 8,558,557,850 \\ 224,400,000 \\ 31,449,535,980$				34 - (3,141,511,380)		(3,141,511,380)		7,200,474,586		- 7,200,474,586	2,244,000,000
		V	Year ended 31 December 2016	Balance at 1 January 2016	Transactions with owners, recorded directly	in equity	Distributions to owners of the Company	Dividends to owners of the Company	Total transactions with owners, recorded directly	in equity	 Comprehensive income for the year	Profit	Other comprehensive income	Total comprehensive income for the year	Balance at 31 December 2016

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

FINANCIAL STATEMENT

Central Pattana Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements

						Other component	
		Issued	Share premium	Retained	Retained earnings	of equity	
		and paid	uo	Legal		Investments held as	Total
	Note	share capital	ordinary shares	reserve	Unappropriated	available for sale	shareholders' equity
				(in	(in Baht)		
Year ended 31 December 2017							
Balance at 1 January 2017		2,244,000,000	8,558,557,850	224,400,000	35,508,499,186	2,853,957	46,538,310,993
Transactions with owners, recorded directly							
in equity							
Distributions to owners of the Company							
Dividends to owners of the Company	34	1	ı	ı	(3,725,004,559)	ı	(3,725,004,559)
Total transactions with owners, recorded directly							
in equity	-	1		1	(3,725,004,559)	1	(3,725,004,559)
Comprehensive income for the year							
Profit		ı	ı	1	9,937,474,739	1	9,937,474,739
Other comprehensive income	·	1	•	-	'	3,228,799	3,228,799
Total comprehensive income for the year	•	1		•	9,937,474,739	3,228,799	9,940,703,538
Balance at 31 December 2017	-	2,244,000,000	8,558,557,850	224,400,000	41,720,969,366	6,082,756	52,754,009,972

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

Central Pattana Public Company Limited and its Subsidiaries Statement of cash flows

	Consolidate	d financial	Separate	financial
	statem	ients	staten	ients
	For the year	ar ended	For the ye	ar ended
	31 Dece	ember	31 Dec	ember
	2017	2016	2017	2016
		(in Ba	ht)	
Cash flows from operating activities				
Profit for the year	13,669,509,295	9,347,027,531	9,937,474,739	7,200,474,586
Adjustments to reconcile profit (loss) to cash receipts (payment)				
Depreciation and amortisation	5,314,523,307	5,122,662,324	2,716,140,569	2,493,173,188
Investment income	(23,211,972)	(26,996,313)	(7,147,769,230)	(4,940,195,618)
Financial cost	363,859,110	633,460,339	1,049,098,043	1,251,273,521
Doubtful debts expense (reversal)	6,488,129	2,870,436	16,004,445	(2,304,243)
Write off of investment properties	2,870,323	141,032,558	1,650,912	95,943,219
(Gain) loss on sales of assets	(49,766,621)	411,176	225,067	934,710
Recognition of advance received from rental and service income	(1,013,794,304)	(898,290,076)	(164,583,579)	(150,713,677)
Provision for employee benefits	47,081,658	43,033,944	41,446,665	35,820,175
Share of profit of associates and joint ventures (net of income tax)	(838,708,545)	(852,918,952)	-	-
Unrealised gain on exchange rate	-	(9,800,700)	-	-
Unrealised gain from financial instruments	(3,209,759)	(28,417,965)	-	-
Tax expense	1,794,526,413	1,686,336,102	708,847,687	634,827,027
	19,270,167,034	15,160,410,404	7,158,535,318	6,619,232,888
Changes in operating assets and liabilities				
Trade accounts receivable	(212,259,028)	144,303,945	(222,814,396)	69,756,570
Other current receivables	(912,569,339)	(381,137,879)	(320,248,767)	(145,942,585)
Real estate projects under development	(2,987,266,274)	(265,258,697)	-	-
Other non-current assets	(573,935,144)	26,897,752	15,337,576	(144,058,795)
Trade accounts payable	105,859,673	(151,263,758)	142,096,714	(138,656,025)
Other current payables	990,384,766	551,231,589	319,990,621	371,790,038
Advance received from rental and service income	12,978,017,491	809,070,216	466,484,960	509,047,151
Deposits from customers received	247,877,811	288,096,121	218,104,740	259,427,625
Provisions for employee benefit paid	(538,120)	(5,498,520)		(3,997,900)
Net cash generated from operating	28,905,738,870	16,176,851,173	7,777,486,766	7,396,598,967
Taxes paid	(2,306,828,146)	(1,801,000,689)	(903,338,478)	(834,782,044)
Net cash from operating activities	26,598,910,724	14,375,850,484	6,874,148,288	6,561,816,923

Central Pattana Public Company Limited and its Subsidiaries Statement of cash flows

For the year For
10 10 10 10 10 10 10 10
2017 2016 2017 2016 Cash flows from investing activities Interest received 21,053,794 153,134,081 458,61,503 61,1177,215 Dividends received 22,053,798 704,079,348 742,497,663 253,483,990 4,444,005,30 Dividends received 23,49,227,588 10,34,021,47 (2,374,743,698 10,206,391,14 Dividends received 669,158,643 752,827,799 (203,4743,698) 1,200,000 1,200,000 24,000,000 Decrease (increase) in current investments 669,158,643 5528,248,779 (984,313,590) (220,249,684) Proceeds from redemption of investments in subsidiaries, associates 2 17,520,000 24,000,000 Proceeds from redemption of investments 6 6,283,779 084,313,590 (220,496,84) Proceeds from redemption of investments 1 2,253,770 11,535 -2 (2,537,70 Proceeds from sales of other long-term investments 8 6,907,885,85 4,917,508,44 4,902,507,48 3,631,71,803 Proceeds from retempayment of loan to related parties
Cash flows from investing activities Eash flows from investing activities 121,053,794 153,134,081 458,451,503 611,177,215 Dividends received 776,793,484 742,497,636 5,273,884,990 4,444,040,536 Decrease (increase) in current investments (2,349,227,588) 1,034,021,474 (2,374,743,698) 1,026,039,114 Acquisition of investments in subsidiaries, associates (669,158,643) (528,248,779) (984,313,590) (220,249,684) Proceeds from redemption of investment unit trusts of funds 5. 1,200,000 24,000,000 Acquisition of other long-term investments 6. 1,200,000 11,535 - Proceeds from sales of other long-term investments 6. 1,200,000 11,535 - Proceeds from repayment of loan to related parties (130,833,653) 6. 11,602,678,748 (5,631,717,803) Proceeds from repayment of loan to related parties (8,609,758,555) (4,971,508,447) (4,927,383,76) (3,220,380,640) Acquisition of investment properties (8,609,758,555) (4,971,508,447) (318,162,00) (24,540,702) Advance paymen
Cash flows from investing activities Interest received 21,053,794 153,134,081 458,451,503 611,177,215 Dividends received 776,793,484 724,97,636 5,273,884,990 4,444,040,536 Decrease (increase) in current investments (2,349,227,588) 1,034,021,474 (2,374,743,698) 1,020,039,114 Acquisition of investments in subsidiaries, associates and joint ventures (669,158,643) (528,248,779) (984,313,590) 220,249,688,40 Proceeds from redemption of investment unit trusts of funds 2 2 17,520,000 24,000,000 Acquisition of other long-term investments 3 1,200,000 11,535 - Proceeds from sales of other long-term investments 1(30,833,635) 1 (10,602,678,748) (5,611,711,801) Proceeds from repayment of loan to related parties (8,609,758,555) (4,971,508,474) (4,052,738,376) (5,217,403,608) Acquisition of investment properties (8,609,758,555) (4,971,508,474) (4,052,738,376) (3,220,380,655) Acquisition of property and equipment (187,032,549) (25,255,371,47) (318,162,03) (3,220,380,655)
Dividends received 776,793,484 742,497,636 5,273,884,990 4,444,040,536 Decrease (increase) in current investments (2,349,227,588) 1,034,021,474 (2,374,743,698) 1,026,039,114 Acquisition of investments in subsidiaries, associates and joint ventures (669,158,643) (528,248,779) (984,313,590) (220,249,684) Proceeds from redemption of investment unit trusts of funds - - 17,520,000 24,000,000 Acquisition of other long-term investments - (2,253,770) - (2,253,770) Proceeds from sales of other long-term investments - 1,200,000 11,535 - Loans to related parties (130,833,653) - (10,602,678,748) (5,631,771,803) Proceeds from repayment of loan to related parties - - 5,841,225,047 5,007,403,397 Loans to related parties (8,609,758,555) (4,971,508,447) (4,052,738,376) (3,220,380,665) Acquisition of property and equipment (187,103,791) (152,298,592) (90,233,700) (88,243,722) Acquisition of leasehold rights (1,560,858,981) (252,653,147) <td< td=""></td<>
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Acquisition of investments in subsidiaries, associates and joint ventures (669,158,643) (528,248,779) (984,313,590) (220,249,684) Proceeds from redemption of investment unit trusts of funds 17,520,000 24,000,000 Acquisition of other long-term investments - (2,253,770) (2,253,770) Proceeds from sales of other long-term investments - 1,200,000 11,535 Loans to related parties (130,833,653) - (10,602,678,748) (5,631,771,803) Proceeds from repayment of loan to related parties (8,609,758,555) (4,971,508,447) (4,052,738,376) (3,220,380,665) Acquisition of investment properties (8,609,758,555) (4,971,508,447) (4,052,738,376) (3,220,380,665) Acquisition of property and equipment (187,103,791) (152,298,592) (90,233,700) (88,243,722) Acquisition of leasehold rights (1,560,858,981) (252,653,147) (318,162,003) (246,450,709) Advance payment for purchase of leasehold rights (1,560,858,981) (252,653,147) (318,162,003) (246,450,709) Advance payment for purchase of leasehold rights (11,968,402,565) (1,968,647,918) (1,617,918,809) (3,333,333) Proceeds from sales of investment properties and leasehold rights (11,768,402,565) (1,968,647,918) (1,617,918,809) (1,443,878,230) Act cash from (used in) investing activities (14,576,047,742) (5,941,866,096) (8,391,594,747) (276,395,256) Acash from financing activities **Cash flows from financing activities** **Cash flows from financing activities** Interest paid (482,966,161) (659,734,206) (1,066,270,904) (1,258,929,490) Dividends paid to owners of the Company (3,724,688,810) (3,141,005,868) (3,724,688,810) (3,141,005,868) Proceeds from issurrance of ordinary shares of subidiary to non-controlling interests
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Acquisition of leasehold rights (1,560,858,981) (252,653,147) (318,162,003) (246,450,709) Advance payment for purchase of leasehold rights (210,502,961)
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Payment for leasehold rights - (33,333,333) - (33,246,88,20) - (1,617,918,809) - (1,617,918,809) - (1,443,878,230) - (26,395,256) - (26,391,866,096) - (26,39
Proceeds from sales of investment properties and leasehold rights 111,951,717 36,224,699 58,101,102 50,296,910 Repayment of contractor payables (1,768,402,565) (1,968,647,918) (1,617,918,809) (1,443,878,230) Net cash from (used in) investing activities (14,576,047,742) (5,941,866,096) (8,391,594,747) 276,395,256 Cash flows from financing activities Interest paid (482,966,161) (659,734,206) (1,066,270,904) (1,258,929,490) Dividends paid to owners of the Company (3,724,688,810) (3,141,005,868) Proceeds from issurrance of ordinary shares of subidiary to non-controlling interests 554,204,105 301 - -
Repayment of contractor payables (1,768,402,565) (1,968,647,918) (1,617,918,809) (1,443,878,230) Net cash from (used in) investing activities (14,576,047,742) (5,941,866,096) (8,391,594,747) 276,395,256 Cash flows from financing activities (482,966,161) (659,734,206) (1,066,270,904) (1,258,929,490) Dividends paid to owners of the Company (3,724,688,810) (3,141,005,868) (3,724,688,810) (3,141,005,868) Proceeds from issurrance of ordinary shares of subidiary to non-controlling interests 554,204,105 301 - - -
Net cash from (used in) investing activities (14,576,047,742) (5,941,866,096) (8,391,594,747) 276,395,256 Cash flows from financing activities Interest paid (482,966,161) (659,734,206) (1,066,270,904) (1,258,929,490) Dividends paid to owners of the Company (3,724,688,810) (3,141,005,868) (3,724,688,810) (3,141,005,868) Proceeds from issurrance of ordinary shares of subidiary to non-controlling interests 554,204,105 301 - - -
Cash flows from financing activities Interest paid (482,966,161) (659,734,206) (1,066,270,904) (1,258,929,490) Dividends paid to owners of the Company (3,724,688,810) (3,141,005,868) (3,724,688,810) (3,141,005,868) Proceeds from issurrance of ordinary shares of subidiary to non-controlling interests 554,204,105 301 - - -
Interest paid (482,966,161) (659,734,206) (1,066,270,904) (1,258,929,490) Dividends paid to owners of the Company (3,724,688,810) (3,141,005,868) (3,724,688,810) (3,141,005,868) Proceeds from issurrance of ordinary shares of subidiary to non-controlling interests 554,204,105 301 - - -
Interest paid (482,966,161) (659,734,206) (1,066,270,904) (1,258,929,490) Dividends paid to owners of the Company (3,724,688,810) (3,141,005,868) (3,724,688,810) (3,141,005,868) Proceeds from issurrance of ordinary shares of subidiary to non-controlling interests 554,204,105 301 - - -
Dividends paid to owners of the Company (3,724,688,810) (3,141,005,868) (3,724,688,810) (3,141,005,868) Proceeds from issurrance of ordinary shares of subidiary to non-controlling interests 554,204,105 301
Proceeds from issurrance of ordinary shares of subidiary to non-controlling interests 554,204,105 301
to non-controlling interests 554,204,105 301
relating to a finance lease (1,590,663) (385,967) (1,590,663) (385,967)
Proceeds from loans from related parties - 21,111,060,621 6,401,732,006
Repayment of loans from related parties - (6,527,471,548) (4,513,559,953)
Proceeds from loans from other party 14,037,773
Proceeds from loans from financial institutions
and institutional investors 16,500,000,000 800,000,000 16,500,000,000 800,000,000
Repayments of loans from financial institutions
and institutional investors (24,875,010,460) (5,518,982,000) (24,808,360,000) (5,427,680,000)
Net cash from (used in) financing activities (12,016,014,216) (8,520,107,740) 1,482,678,696 (7,139,829,272)
Net increase (decrease) in cash and cash equivalents 6,848,766 (86,123,352) (34,767,763) (301,617,093)
Cash and cash equivalents at 1 January 2,488,945,220 2,577,733,661 1,539,985,511 1,841,602,604
Foreign currencies translation differences for foreign
operations (77,655,190) (2,665,089)
Cash and cash equivalents at 31 December 2,418,138,796 2,488,945,220 1,505,217,748 1,539,985,511

Central Pattana Public Company Limited and its Subsidiaries Statement of cash flows

Non-cash transactions

During the year 2017, the Group acquired investment properties, property, plant and equipment, leasehold rights and right for usage of assets at total cost of Baht 14,378.3 million (2016: Baht 6,602.5 million), of which Baht 10,357.7 million was paid by cash (2016: Baht 5,376.5 million), capitalised borrowing costs relating to the acquisition of assets amounting to Baht 116.5 million (2016: Baht 39.4 million), Baht 3,752.7 million was outstanding as contractor payables as at 31 December 2017 (2016: Baht 1,186.6 million), and Baht 151.4 million was outstanding as accounts payable for leasehold right (2016: nil).

During the year 2017, the Company acquired investment properties, property, plant and equipment, leasehold rights and right for usage of assets at total cost of Baht 6,485.2 million (2016: Baht 4,320.5 million), of which Baht 4,461.1 million was paid by cash (2016: Baht 3,555.1 million), capitalised borrowing costs relating to the acquisition of assets amounting to Baht 48.8 million (2016: Baht 26.9 million), and Baht 1,823.9 million was outstanding as contractor payables as at 31 December 2017 (2016: Baht 738.5 million) and Baht 151.4 million was outstanding as account payable for leasehold rights (2016: Baht nil).

During the year 2017, the Group acquired real estate projects under development at a total cost of Baht 3,177.7 million (2016: Baht 415.9 million) of which Baht 3,002.9 million was paid by cash (2016: Baht 265.3 million), capitalised borrowing costs relating to the acquisition of assets amounting to Baht 15.6 million (2016: Baht 1.2 million), Baht 159.2 million was outstanding as trade accounts payable as at 31 December 2017 (2016: Baht 149.4 million).

Notes to the financial statements

For the year ended 31 December 2017

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

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 19 February 2018.

1 General information

Central Pattana Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 999/9 Rama I Road, Patumwan, Patumwan, Bangkok.

The Company was listed on the Stock Exchange of Thailand in March 1995.

The Company's major shareholder during the financial year was Central Holdings Company Limited (26.2% shareholding), which is incorporated in Thailand.

The principal businesses of the Company are developing new projects and managing projects as constructing office buildings and shopping centres for rent, providing utility services in shopping centres, sales of food and beverage and providing property management consulting and corporate services. As at 31 December 2017 and 2016, details of the Company's associates and joint ventures entities are additionally given in note 12, and other related parties are additionally given in note 4. Details of the Company's subsidiaries and funds are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest 2017 2016	
Direct subsidiaries			(-	-/
Central Pattana Rama 2 Co., Ltd.	(1) (4)	Thailand	100.0	100.0
Central Pattana Chiangmai Co., Ltd.	(1)(2)(4)	Thailand	100.0	100.0
Central Pattana Realty Co., Ltd.	(2) (6)	Thailand	100.0	100.0
Central Pattana Rattanathibet Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
Central Realty Service Co., Ltd.				
(Liquidated on 4 October 2017)	(2)	Thailand	-	100.0
Central Food Avenue Co., Ltd.	(4)	Thailand	100.0	100.0
Central World Co., Ltd.	(1)(2)(4)(7)	Thailand	100.0	100.0
Central Pattana Rama 3 Co., Ltd.	(1) (4)	Thailand	100.0	100.0
Central Pattana Chonburi Co., Ltd.	(1)(2)(4)	Thailand	100.0	100.0
CPN Residence Co., Ltd.	(10)	Thailand	100.0	100.0
Central Pattana Development Co., Ltd.	(1)(2)(4)	Thailand	100.0	100.0
CPN Global Co., Ltd.	(6)	Thailand	100.0	100.0
Central Pattana Nine Square Co., Ltd.	(1)(2)	Thailand	93.3	93.3
Central Pattana Khon Kaen Co., Ltd.	(1)(2)(4)(10)	Thailand	78.1	78.1
CPN Pattaya Co., Ltd.	(1)(2)(4)(7)	Thailand	100.0	100.0
CPN Learning Center Co., Ltd.	(9)	Thailand	100.0	100.0
CPN Rayong Co., Ltd.	(1)(2)(4)	Thailand	100.0	100.0
CPN Korat Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
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	63.0	-
Phraram 4 Development Co., Ltd.	(6)	Thailand	90.0	-
Saladang Property Management Co., Ltd.	(1)	Thailand	75.0	-
CPN REIT Management Co., Ltd.	(11)	Thailand	100.0	-
Dara Harbour Co., Ltd.	(6)	Thailand	65.0	-
CPN Pattaya Hotel Co., Ltd.	(7)	Thailand	100.0	-
	22			

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

	Type of	Country of	Ownership interest	
Name of entity	business	incorporation	2017	2016
•		_	(%)	
Indirect subsidiaries				
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 Ventures Sdn. Bhd.	(8)	Malaysia	100.0	100.0
CPN Real Estate Sdn. Bhd.	(6)	Malaysia	100.0	100.0
CPN Malls Malaysia Sdn. Bhd.	(6)	Malaysia	100.0	100.0
Central Plaza i-City Malls				
Malaysia Sdn. Bhd.	(6)	Malaysia	100.0	100.0
Central Plaza i-City Sdn. Bhd.	(6)	Malaysia	100.0	100.0
Central Plaza i-City Real Estate Sdn. Bhd.	(6)	Malaysia	60.0	-
Funds				
Thai Business Fund 4	(6)	Thailand	100.0	100.0
Thai Business Fund 5	(6)	Thailand	100.0	100.0

Type of business

- (1) Construction of office buildings and shopping centers for rent
- (2) Provision of utility services in shopping centers
- (3) Construction of residential and shop houses for rent
- (4) Sales of food and beverage
- (5) Operator of play land and water theme park on shopping centers
- (6) Investment in real estates
- (7) Hotel business
- (8) 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

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

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

Notes to the financial statements

For the year ended 31 December 2017

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements. The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Basis of measurement

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

Items Measurement bases

Derivative financial instruments Fair value Available-for-sale investments Fair value

Defined benefit liability Present value of the defined benefit obligation

as explained in Note 3 (o)

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

Assumptions and estimation uncertainties

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

Note 3(t), 17 Recognition of deferred tax assets: availability of future taxable profit against which tax

losses carried forward can be used Recognition and measurement of provisions; and

Note 22 Measurement of defined benefit obligations: key actuarial assumptions

Measurement of fair values

Note 3(p)

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

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

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

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

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 13 Investment properties and
- Note 35 Financial instruments

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

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

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

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

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

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

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

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

Step acquisition

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Acquisitions from entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

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.

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

Loss of control

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

Interests in equity - accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

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

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

Foreign currency differences arising on retranslation are generally recognised in profit or loss.

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 foreign exchange rates ruling at the dates of the transactions.

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

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

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

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

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate such as government bonds.

(d) Cash and cash equivalents

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

(e) Trade and other accounts receivable

Trade and other accounts receivable (including balances with related parties) are stated at their invoice value less allowance for doubtful accounts.

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

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

(f) Real estate development projects

Real estate development projects are projects for the development of properties with the intention of sale in the ordinary course of business. They are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate development projects comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised, on a specific identification basis, as part of the cost of the property until the completion of development.

(g) Investments

Investments in subsidiaries and funds, associates and joint ventures

Investments in subsidiaries and funds, 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 positive intent and ability to hold to maturity are classified as held-to-maturity investment. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

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

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

Disposal of investments

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

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

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

(h) Investment properties

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

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

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

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

Buildings and improvements

20 - 30 years

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

Central Pattana Public Company Limited and its Subsidiaries

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

Subsequent costs

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

Depreciation

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

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

Buildings and improvements 20 years Furniture, fixtures, office and transportation equipments 5 - 15 years

No depreciation is provided on freehold land or assets under construction.

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

(j) 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

Leasehold rights over land

30 years

25 - 40 years

(k) 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.

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

The estimated useful lives are as follows:

Right for usage of assets

10 - 40 years

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

(l) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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

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

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

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

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

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

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairments 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.

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

(m) Interest-bearing liabilities

Interest-bearing liabilities are stated at cost.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

The calculation of defined benefit obligations is performed 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 applicable minimum funding requirements.

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

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

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.

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

(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) Revenue

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

Rent and services

Revenue from rent is recognised in profit or loss on a straight-line basis over the term of the lease. Initial costs granted are recognised as an integral part of the total revenue from rent. Contingent rentals are recognised as income in the accounting period in which they are earned. Revenue from services is recognised as services are provided.

Food and beverage

Revenue from food and beverage is recognised upon delivery of goods to customers.

Investments

Revenue from investments comprises dividend and interest income from bank deposits and investments.

Dividend income

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

Interest income

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

(r) Finance costs

Finance costs are recognised using the effective interest method and comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Central Pattana Public Company Limited and its Subsidiaries Notes to the financial statements

For the year ended 31 December 2017

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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

(s) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made, over the term of the lease.

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

Determining whether an arrangement contains a lease

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

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

(t) Income tax

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

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

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

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

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

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

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

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

(u) Basic earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

(v) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and tax assets and liabilities.

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

4 Related parties

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

Relationships with subsidiaries and funds, indirect subsidiaries are described in note 1, for associates and joint ventures are described in note 12. 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 Agrocity Co., Ltd.	Thailand	Held by a subsidiary
Square Ritz Plaza Co., Ltd.	Thailand	Held by a subsidiary and some
V 4 C 1C 141	TP1 '1 1	common directors
Vantage Ground Co., Ltd.	Thailand	Some common directors
Bara, Windsor & Co., Ltd.	Thailand	Some common directors
Spaghetti Factory Co., Ltd.	Thailand	Some common directors
Fuji Delicious Creation Co., Ltd.	Thailand	Some common directors

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

Name of entities	Country of incorporation/ nationality	Nature of relationships
CMG Marketing Co., Ltd.	Thailand	Some common directors
CRC Thai Watsadu Co., Ltd.	Thailand	Some common directors
Central Restaurant Holding Co., Ltd.	Thailand	Some common directors
CRG International Food Co., Ltd.	Thailand	Some common directors
Food Passion Co., Ltd.	Thailand	Some common directors
Central People Development Center Co., Ltd.	Thailand	Some common directors
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

Transactions Pricing policies

Revenue from rent and services	Market prices which are subject to location, lease space, lease form, lease period and type of lease
Revenue from sale of	
food and beverage	Market prices
Management income and other	
income	The rate being charged by other parties in the business
Interest income/interest expense	The average interest rate of debt securities issued by the Company and contractually agreed interest rate
Cost of rent and services	Market prices
Cost of food and beverage	Market prices
Administrative expenses	At 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
Sale of investment properties	As mutually agreed in contract
Sale of equipment	As mutually agreed in contract

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

		lidated statements	Separate financial statements	
Year ended 31 December	2017	2016	2017	2016
		(in thous	and Baht)	
Subsidiaries and funds				
Revenue from rent and services	-	-	70,855	77,296
Management income	-	-	350,644	297,076
Interest income	-	-	459,277	462,054
Dividend income	-	-	5,895,663	3,712,902
Other income	-	-	196,400	211,689
Cost of rent and services	-	-	232,371	241,007
Cost of food and beverage	-	-	1	11
Administrative expenses	-	-	20,654	22,024

	Consolidated financial statements		Separate financial statements		
Year ended 31 December	2017	2016	2017	2016	
Teur ended 31 December	2017	(in thousa		2010	
Subsidiaries and funds		(in inousu	на Бані)		
Interest expense	_	_	601,323	596,170	
Sale of investment properties	-	-	53,134	22,500	
• •					
Associates					
Dividend income	-	-	776,662	742,368	
Revenue from rent and services	592,300	510,280	31,530	32,557	
Management income	448,408	440,006	436,709	440,006	
Revenue from sale of					
food and beverage	1	-	-	-	
Interest income	3,485	-	3,485	-	
Other income	243,460	16,035	196,958	17,447	
Cost of rent and services	4,278	4,329	2,752	2,627	
Cost of food and beverage	33,508	36,091	-	-	
Administrative expenses	82,001	42,599	55,727	43,350	
Sale of equipment	75,000	-	-	-	
Joint ventures					
Management income	-	30,362	-	30,362	
-					
Other related parties					
Revenue from rent and services	4,367,052	4,410,670	2,419,459	2,369,869	
Revenue from sale of					
food and beverage	2,678	3,991	35	333	
Interest income	-	6,711	-	6,711	
Other income	191,245	178,145	76,200	84,024	
Cost of rent and services	853,957	888,386	827,176	872,001	
Cost of food and beverage	5,609	1,558	159	75	
Management fees	194,497	180,003	183,687	170,775	
Administrative expenses	155,875	124,862	129,036	105,444	
Interest expense	14	16	14	16	
Key management					
Key management personnel					
Short-term benefits	181,242	122,854	181,242	122,854	
Post-employment benefits	4,587	4,320	4,587	4,320	
Total Key management personnel	185,829	127,174	185,829	127,174	

Significant balances as at 31 December with related parties were as follows:

	Consol	idated	Separate		
	financial s	tatements	financial s	tatements	
	2017	2016	2017	2016	
		(in thous	and Baht)		
Trade accounts receivable - related parties					
Subsidiaries and funds:					
Central Pattana Rattanathibet Co., Ltd.	-	-	1,751	3,901	
Central Pattana Khon Kaen Co., Ltd.	-	-	2,640	8,159	
Central World Co., Ltd.	-	-	5,246	13,369	
Central Pattana Chonburi Co., Ltd.	-	-	1,714	3,780	
Central Pattana Development Co., Ltd.	-	-	3,705	8,288	
Central Pattana Chiangmai Co., Ltd.	-	-	1,369	2,317	
Bangna Central Property Co., Ltd.	_	-	2,247	5,112	
Central Food Avenue Co., Ltd.	-	-	412	391	
Central Pattana Rama 2 Co., Ltd.	-	-	312	459	
Central Pattana Nine Square Co., Ltd.	_	_	1,812	5,153	
Thai Business Fund 4	_	_	548	8,802	
CPN Pattaya Co., Ltd.	_	_	6,197	6,229	
Central Pattana Rama 3 Co., Ltd.	_	_	640	1,037	
Central Pattana Realty Co., Ltd.	_	_	285	1,107	
CPN Rayong Co., Ltd.	_	_	1,482	3,534	
CPN Residence Khon Kaen Co., Ltd.	_	_	-	928	
CPN Residence Co., Ltd.	_	_	3,466	8,721	
CPN Korat Co., Ltd.	_	_	2,051	7	
Dara Harbour Co., Ltd.	_	_	30	_ ′	
CPN REIT Management Co., Ltd.	_	_	665	_	
Suanlum Property Co., Ltd.	_	_	25	_	
Pharam 4 Development Co., Ltd.	_	_	25	_	
Saladang Property Management Co.,			23		
Ltd.			25		
Central Plaza i-City Real Estate Sdn. Bhd.	-	-	1,918	_	
CPN Pattaya Hotel Co., Ltd.	-	- -	527	_	
Total subsidiaries and funds			39,092	81,294	
Total subsidiality and funds				01,271	
Other related parties:					
Central Department Store's Group	224,609	224,410	123,285	84,973	
Others	35,918	72,404	11,011	19,309	
Total other related parties	260,527	296,814	134,296	104,282	
Total	260,527	296,814	173,388	185,576	
Bad and doubtful debt for the year	-				
Other receivables					
Accrued dividend income					
Subsidiaries and funds:					
Thai Business Fund 4	_	_	1,531,895	136,440	
Thai Business Fund 5	_	_	38,934	33,192	
Total					
า บเลา			1,570,829	169,632	

FINANCIAL STATEMENTS

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

	Consol	lidated	Separate	
	financial s	tatements	financial st	atements
	2017	2016	2017	2016
		(in thousa	nd Baht)	
Accrued income Subsidiaries and funds:		·	,	
Thai Business Fund 4	-	-		1,466
Thai Business Fund 5			26	67
Total	_		26	1,533
Prepaid expenses Other related parties: Vantage Ground Co., Ltd.	9,360	9,360	9,360	9,360
Other non-current assets Deposit Associate:				
Vimarn Suriya Co., Ltd.	492,380			

Loans to related parties

I						
			Consoli	dated	Sepa	ırate
		est rate	financial st	atements	financial s	statements
	2017	2016	2017	2016	2017	2016
GI	(% per	annum)		(in thouse	and Baht)	
Short-term loans to Subsidiaries and funds:						
Thai Business Fund 5	3.70	3.76	-	-	8,343	20,984
CPN Global Co., Ltd.	2.67	3.23	-	-	1,247,750	577,458
CPN Estate Co., Ltd.	2.67	3.23	-	-	25,210	24,673
CPN Residence Khon Kaen Co., Ltd.	-	3.23				1,462
Total short-term loans		_			1,281,303	624,577
Long-term loans to Subsidiaries and funds:						
Central World Co., Ltd.	2.67	3.23	-	-	5,756,030	6,456,431
Central Pattana Development Co., Ltd.	2.67	3.23	-	-	244,285	1,013,088
Central Food Avenue Co., Ltd.	-	3.23	-	-	-	8,375
Central Pattana Realty Co., Ltd.	2.67	3.23	-	-	2,647,691	2,179,032
CPN Residence Co., Ltd.	2.67	3.23	-	-	3,502,854	625,815
CPN Rayong Co., Ltd.	2.67	3.23	-	-	492,062	772,553
CPN Korat Co., Ltd.	2.67	3.23	-	-	2,301,281	910,560
Suanlum Property Co., Ltd.	3.25	-	-	-	337,339	-
Phraram 4 Development Co., Ltd.	2.67	-	-	-	104,021	-
Saladang Property Management Co., Ltd.	2.67	-	-	-	567,647	-
Associate:						
Vimarn Suriya Co., Ltd.	5.20		134,319		134,319	
Total long-term loans		_	134,319		16,087,529	11,965,854
Total loans to related parties		_	134,319		17,368,832	12,590,431
Summary of loans to related parties					1 201 202	624.577
Short-term loans			-	-	1,281,303	624,577
Long-term loans		-	134,319		16,087,529	11,965,854
7 11 0 1 1 0 1			134,319	-	17,368,832	12,590,431
Less allowance for doubtful accounts		-	- 121210		45.200.000	- 42 500 421
Total loans to related parties, net		_	134,319		17,368,832	12,590,431

Notes to the financial statements

For the year ended 31 December 2017

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

	Consolidated		Separate		
	financial st	atements	financial st	atements	
	2017	2016	2017	2016	
		(in thousa	nd Baht)		
Short-term loans to					
Subsidiaries and funds					
At 1 January	-	-	624,577	133,432	
Increase					
- Principal	-	-	695,833	510,241	
- Interest	-	-	27,086	9,470	
Decrease					
- Principal	-	=	(39,988)	(20,761)	
- Interest			(26,205)	(7,805)	
At 31 December	-	_	1,281,303	624,577	
I					
Long-term loans to					
Subsidiaries and funds			11.065.054	11 020 002	
At 1 January	-	-	11,965,854	11,829,982	
Increase			0.776.013	5 101 501	
- Principal	-	-	9,776,012	5,121,531	
- Interest	-	-	417,272	433,460	
Decrease			(5 001 227)	(4.096.642)	
- Principal	-	-	(5,801,237)	(4,986,643)	
- Interest At 31 December			(404,691)	(432,476)	
At 31 December	-		15,953,210	11,965,854	
Associate					
At 1 January	-	-	-	_	
Increase					
- Principal	130,834	-	130,834	_	
- Interest	3,485	_	3,485	_	
At 31 December	134,319		134,319		
Total long-term loans to related					
parties			44.065.054	44.000.000	
At 1 January	-	-	11,965,854	11,829,982	
Increase					
- Principal	130,834	-	9,906,846	5,121,531	
- Interest	3,485	-	420,757	433,460	
Decrease					
- Principal	-	-	(5,801,237)	(4,986,643)	
- Interest	<u>-</u>		(404,691)	(432,476)	
At 31 December	134,319		16,087,529	11,965,854	
Bad and doubtful debt for the year					
Dad and dodottul debt for the year	_				

As at 31 December 2017, loans to subsidiaries are unsecured and denominated in Thai Baht with interests at the average interest rate of debt securities issued by the Company. Loans to funds had interest at the rates ranging from 2.0% to 5.0 % per annum (2016: ranging from 3.0% to 5.0 % per annum) and loans to associate had interest at MLR - 1.0% per annum (2016: nil).

	Consol		Separate financial statements		
	financial s				
	2017	2016	2017	2016	
Trade accounts payable - related parties		(in thousan	a Banı)		
Subsidiaries and funds:					
			C 1C1	2 221	
Central World Co., Ltd.	-	-	6,464	2,321	
Thai Business Fund 4	-	-	2,077	7,505	
Central Pattana Nine Square Co., Ltd.	-	-	2,784	801	
Central Pattana Khon Kaen Co., Ltd.	-	-	4,439	679	
Central Pattana Chiangmai Co., Ltd.	-	-	600	639	
Bangna Central Property Co., Ltd.	-	-	2,796	770	
Central Pattana Development Co., Ltd.	-	-	4,998	1,738	
Central Pattana Rattanathibet Co., Ltd.	-	-	5,503	1,260	
Central Pattana Chonburi Co., Ltd.	-	-	267	651	
CPN Pattaya Co., Ltd.	-	-	1,592	429	
CPN Rayong Co., Ltd.	-	-	794	679	
Central Pattana Rama 3 Co., Ltd.	-	-	445	350	
Central Pattana Realty Co., Ltd.	-	-	1,307	2,609	
Central Food Avenue Co., Ltd.	-	-	580	11	
Central Pattana Rama 2 Co., Ltd.	-	-	442	59	
CPN Korat Co., Ltd.	-	-	817	-	
CPN Residence Co., Ltd.	-	-	25	-	
CPN Pattaya Hotel Co., Ltd.			1,775		
Total subsidiaries			37,705	20,501	
Other related parties:	20.540	12.004	1.042	1.020	
Central Department Store's Group	20,549	13,004	1,843	1,938	
Others	29,067	21,380	22,019	17,951	
Total related parties	49,616	34,384	23,862	19,889	
Total	49,616	34,384	61,567	40,390	
Accounts payable for leasehold right					
Other related party:					
Central Department Store's Group	300,000	300,000	300,000	300,000	
Less Current portion of account payable					
for leasehold right	(33,333)	-	(33,333)	-	
Net	266,667	300,000	266,667	300,000	
				_	
Unearned rental and service income					
Subsidiaries and funds	-	-	54,308	59,865	
Associates	21,179,024	9,541,373	7,768	810	
Total	21,179,024	9,541,373	62,076	60,675	
Less Current portion of unearned					
rental service income	(964,253)	(256 076)	(6,559)	(5.557)	
Net	20,214,771	(356,976) 9,184,397	55,517	(5,557)	
THE	40,414,//1	7,104,37/	33,317	55,118	

Central Pattana Public Company Limited and its Subsidiaries Notes to the financial statements

For the year ended 31 December 2017

	Consoli	dated	Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
		(in thousa	nd Baht)	
Deposits received from customers				
Subsidiaries and funds	-	-	3,901	3,901
Other related parties				
Central Department Store's Group	416,367	392,216	188,580	171,000
Others	339,607	329,416	179,830	164,301
Total	755,974	721,632	372,311	339,202
Guarantees for leasehold rights				
Other related party:				
Central Department Store's Group	244,117	249,205	239,877	244,965

Loans from related parties

			Conso	lidated	Sep	arate
	Intere	est rate	financial s	statements	financial	statements
	2017	2016	2017	2016	2017	2016
	(% per	annum)		(in the	ousand Baht)	
Short-term loans from						
Subsidiaries and funds:						
Central Pattana Nine Square Co.,Ltd.	2.67	3.23	-	-	3,224,145	2,248,435
Central Pattana Chiangmai Co., Ltd.	-	3.23	-	-	-	9,709,499
Thai Business Fund 4	1.53	2.39	-	-	3,390,000	791,104
Central Pattana Rattanathibet Co., Ltd.	2.67	3.23	-	-	610,564	778,455
CPN Pattaya Co., Ltd.	-	3.23	-	-	-	1,122,221
Central Pattana Chonburi Co., Ltd.	2.67	3.23	-	-	477,718	537,072
Central Pattana Khon Kaen Co., Ltd.	2.67	3.23	-	-	991,674	568,813
CPN Residence Khon Kaen Co., Ltd.	2.67	-	-	-	50,633	-
Central Food Avenue Co., Ltd.	2.67	-	-	-	14,726	-
Total short-term loans			<u>-</u>		8,759,460	15,755,599
Long-term loans from						
Subsidiaries:						
Central Pattana Rama 3 Co., Ltd.	2.67	3.23	-	-	1,128,169	1,720,745
Central Pattana Rama 2 Co., Ltd.	2.67	3.23	-	-	1,616,522	1,739,404
Central Pattana Chiangmai Co., Ltd.	2.67	-	-	-	9,289,695	-
CPN Pattaya Co., Ltd.	2.67	-	-	-	13,024,100	-
Total long-term loans					25,058,486	3,460,149
Total loans from related parties		=			33,817,946	19,215,748

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

	Consolidated		Separate	
	financial s	tatements	financial s	tatements
	2017	2016	2017	2016
		(in thou	sand Baht)	
Short-term loans from				
Subsidiaries and funds				
At 1 January	-	-	15,755,599	13,815,857
Increase				
- Principal	-	-	7,136,559	6,130,785
- Interest	-	-	144,273	456,218
Decrease				
- Principal	-	-	(14,104,350)	(4,197,021)
- Interest	-	-	(172,621)	(450,240)
At 31 December			8,759,460	15,755,599
Long town loans from				
Long-term loans from Subsidiaries and funds				
At 1 January	-	_	3,460,149	3,505,587
Increase				
- Principal	-	-	24,777,010	270,947
- Interest	-	-	457,669	114,471
Decrease				
- Principal	-	-	(3,225,631)	(316,539)
- Interest	-	-	(410,711)	(114,317)
At 31 December	-	_	25,058,486	3,460,149

As at 31 December 2017, loans from related parties are unsecured and denominated in Thai Baht. Loans from subsidiaries carry interests at the average interest rates of unsecured debt securities issued by the Company. Loans from funds carry interest at the rates ranging from 1.5 % to 5.0 % per annum. (2016: ranging from 2.0 % to 5.0 % per annum).

Commitments with related parties

As at 31 December the Group has entered into service and premise lease agreements with several related parties. The rental and service fees are as follows:

	Consolidated		Separate	
	financial st	atements	financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Non-cancellable operating lease commitments				
Within one year	1,023	771	1,053	1,011
After one year but within five years	4,691	3,560	4,761	4,519
After five years	13,678	13,655	15,735	16,295
Total	19,392	17,986	21,549	21,825

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

Operating lease

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.

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.

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

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.

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 sublessee") for a period of 20 years ending on 18 December 2028. The Company had to pay compensation for subleasehold right to the sublessee in the amount of Baht 2,162 million, which was recorded as leasehold rights in the statements of financial position. In addition, the Company is required to pay annual rental for the assets and rental for equipment throughout the sublease contract period totalling Baht 14,016 million.

Titles over the buildings or structures and other assets that the Company had renovation or restoration will be transferred to The State Railway of Thailand ("the lessor") upon expiration of the agreement. In addition, the Company had to deliver equipment as specified in the lease agreement according to the appropriate condition and useful life at that time.

CentralPlaza 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.

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-year 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.

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

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.

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 sublessee"), 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. The annual rental comprise of fixed rental totalling Baht 2,194 million and variable rental which is calculated from profit before tax deduct furniture, fixture and equipment reserve of the hotel.

Land sublease agreement

The Company entered into to 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 which was recorded as leasehold rights in the separate statement of financial position as at 31 December 2017.

Other significant agreements

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.

Central Pattana Public Company Limited and its Subsidiaries Notes to the financial statements

For the year ended 31 December 2017

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 2017 to 31 December 2017. Subsequently, in January 2018, the Company extended the management agreement with the subsidiaries for another one year ending on 31 December 2018.

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.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Cash on hand	25,288	12,301	11,856	5,801
Call deposits	2,392,851	2,476,644	1,493,362	1,534,185
Cash and cash equivalents	2,418,139	2,488,945	1,505,218	1,539,986

6 Other investments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Current investments				
Equity securities available-for-sale	4,040	3,190	4,040	3,190
Investments in marketable unit trusts				
classified as available-for-sale				
investments	2,939,076	587,979	2,939,076	561,954
Current investments	2,943,116	591,169	2,943,116	565,144

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

	Consolidated financial statements		Separate financial statements	
	2017 2016		2017	2016
	2017	(in thousar		2010
Long-term investments Other non-marketable equity securities				
Related parties	131,647	131,647	-	-
Less allowance for impairment	(65,397)	(65,397)		
Long-term investment in related parties-net	66,250	66,250		
Other non-marketable equity securities Other parties Investments in marketable unit trusts	1,000	1,000	1,000	1,000
classified as available-for-sale investments	124,371	123,661	-	-
Held to maturities securities	2,185	2,231	2,185	2,231
Other long-term investments	127,556	126,892	3,185	3,231
Total	3,136,922	784,311	2,946,301	568,375

Collateral

As at 31 December 2017, the Group had part of investments in marketable unit trusts classified as available-for-sale investments as collateral for rental debt payment with an associate, at carrying amount of Baht 124.37 million (2016: Baht 123.66 million).

Movements during the years ended 31 December of investments in marketable unit trusts classified as available-for-sale investments were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	2017	(in thousa		2010
Current investments		(***********		
Available for sale securities				
At 1 January	591,169	1,601,481	565,144	1,588,329
Purchases during the year	5,290,035	5,140,307	5,256,000	5,140,000
Sales during the year	(2,940,807)	(6,166,039)	(2,881,256)	(6,166,039)
Valuation adjustment	2,719	15,420	3,228	2,854
At 31 December	2,943,116	591,169	2,943,116	565,144
Other long-term investments Available for sale securities				
At 1 January	123,661	122,854	-	-
Valuation adjustment	710	807		
At 31 December	124,371	123,661	_	_

7 Trade accounts receivable

		Consolidated		Separate	
		financial s	tatements	financial st	atements
	Note	2017	2016	2017	2016
			(in thousa	nd Baht)	
Related parties	4	260,527	296,814	173,388	185,576
Other parties		1,080,760	832,213	724,828	489,826
Total	•	1,341,287	1,129,027	898,216	675,402
Less allowance for doubtful					
accounts		(33,189)	(26,700)	(19,376)	(3,371)
Net	:	1,308,098	1,102,327	878,840	672,031
Bad and doubtful debt					
expenses (reversal) for the year	ear	6,489	2,870	16,005	(2,305)

Aging analyses for trade accounts receivable and deposits from overdue customers were as follows:

	Consolidated financial statements		Separate	
			financial st	tatements
	2017	2016	2017	2016
		(in thousa	nd Baht)	
Related parties				
Within credit terms	37,985	63,548	31,745	115,046
Overdue:				
Less than 3 months	73,371	130,348	94,958	31,475
3-6 months	44,099	16,399	26,133	9,863
6-12 months	26,856	17,421	7,219	14,070
Over 12 months	78,216	69,098	13,333	15,122
Total	260,527	296,814	173,388	185,576
Subsidiaries and other related parties				
Deposits from overdue customers	867,779	694,931	344,806	316,224
Other parties				
Within credit terms	150,302	166,692	137,302	127,991
Overdue:				
Less than 3 months	579,461	437,769	364,700	256,614
3-6 months	159,804	77,329	77,726	48,737
6-12 months	133,204	57,671	88,774	29,736
Over 12 months	57,989	92,752	56,326	26,748
	1,080,760	832,213	724,828	489,826
Less allowance for doubtful accounts	(33,189)	(26,700)	(19,376)	(3,371)
Net	1,047,571	805,513	705,452	486,455
Deposits from overdue customers	6,568,373	5,063,697	2,542,586	2,344,407

The normal credit term granted by the Group and the Company ranges from 1 day to 30 days.

Deposits received from overdue customers were in excess of the overdue receivables.

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

8 Other current receivables

		Consolidated		Separate	
		financial s	statements	financial st	tatements
	Note	2017	2016	2017	2016
			(in thouse	and Baht)	
Accrued income	4	1,272,965	1,032,098	719,112	477,337
Accrued dividend income	4	-	-	1,570,829	169,632
Receivables from					
Revenue Department		598,679	54,133	-	2,440
Other accounts receivable		378,501	219,152	43,232	42,306
Prepaid expenses	4	491,441	494,595	428,056	416,453
Others	_	97,164	124,479	83,969	23,349
Total		2,838,750	1,924,457	2,845,198	1,131,517

9 Real estate projects under development

		Consoli	dated	Separ	ate
		financial st	atements	financial st	atements
	Note	2017	2016	2017	2016
			(in thousar	nd Baht)	
Projects under development					
- Land		2,294,321	86,755	-	-
 Land improvements 		4,540	4,210	-	-
- Utilities		1,284,916	334,069	-	-
- Other costs relating to					
project development		22,386	3,426	-	-
Total	•	3,606,163	428,460	-	-
Finance costs capitalised					
during the year	31	20,095	1,192		
Rates of interest capitalised					
(% per annum)	-	2.87	3.27		

10 Investments in subsidiaries and funds

	Separate financial statements			
	2017	2016		
	(in thousa	and Baht)		
At 1 January	24,455,497	24,259,247		
Acquisitions of investments	463,055	220,250		
Redemption of investment units	(17,520)	(17,520) (24,000)		
At 31 December	24,901,032	24,901,032 24,455,497		

Acquisition of investments

For the year ended 31 December 2017

Direct subsidiary

CPN REIT Management Co., Ltd.

In June 2017, the Group has established of CPN REIT Management Co., Ltd. for management of a real estate investment trust, which has a registered capital of Baht 10 million, totalling 1 million shares with par value of Baht 10 per share, of which the ownership interest of the Company is 100%. The Company already fully paid up for shares in June 2017.

Dara Harbour Co., Ltd.

At the Board of Directors meeting of the Company approved the acquisition of the ordinary shares in Dara Harbour Co., Ltd. In July 2017, the Company entered into the share purchase agreement in Dara Harbour Co., Ltd. from Property Perfect Public Company Limited of 26 million shares, representing 65% of total shares of 40 million shares, totalling Baht 291.75 million.

CPN Pattaya Hotel Co., Ltd.

In September 2017, the Group has established CPN Pattaya Hotel Co., Ltd. ("CPN Pattaya Hotel") for management of the hotel which has a registered share capital of Baht 1 million, totalling 0.1 million shares with par value of Baht 10 per share, of which the ownership interest of the Company is 100%. The Company already fully paid up for shares. Subsequently, in November 2017 the Board of directors meeting of CPN Pattaya Hotel approved to increase the registered capital from Baht 1 million to Baht 200 million by issuing the new ordinary shares totalling 19.9 million shares with par value of Baht 10 per share and calling for paid up newly issued shares by Baht 2.55 per share totalling Baht 50.7 million. The Company already fully paid up for shares.

Joint-Investment in the Mixed-Use Development Project with Dusit Thani Public Company Limited ("Dusit Thani")

At the Board of Directors meeting of the Company approved to jointly invest in a mixed-use development project consisting of hotel, residential building, shopping center and office building.

Shareholders' Agreement and Share Purchase Agreement

The Company entered into the shareholders' agreements of Suanlum Property Co., Ltd. ("Suanlum"), Phraram 4 Development Co., Ltd. ("Phraram 4") and Saladang Property Management Co., Ltd. ("Saladang") with Dusit Thani. The Company has to acquire investment in ordinary shares from Dusit Thani and to invest in the additional ordinary shares increasing in share capital as specified in the agreement. In addition, Dusit Thani has a share purchase call option of Saladang from the Company in proportion not exceeding 15% of registered capital at conditional price and period as specified in the agreement. In addition, the Company entered into the Share Purchase Agreement for the additional purchase of ordinary shares of Saladang and Suanlum from Dusit Thani, in proportion of 22% and 25% of registered capital of which the shareholding proportion of the Company will be 85% and 100% of registered capital, respectively, at price and period as specified in the agreement. In addition, the Company has to pay service fee for the development of office building project at amount and period as specified at the agreement.

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

On 28 June 2017, the Company invested in ordinary shares as follows:

	Number of ordinary shares increased in share capital (in thousand shares)	Number of ordinary shares invested (in thousand shares)	Amounts (in thousand Baht)	Ownership interest (%)
Purchasing of investments in	,	,	,	
ordinary shares from Dusit Thani				
Suanlum Property Co., Ltd.	-	0.63	63	63
Investing in additional ordinary shares increasing in share capital				
Suanlum Property Co., Ltd.	1,719	1,083	108,297	63
Phraram 4 Development Co., Ltd.	9	9	900	90
Saladang Property Management				
Co., Ltd.	3	3	300	75
Total		-	109,560	

In addition, the Company and Dusit Thani will grant loans to Suanlum in proportion as mutually agreed in the agreement. In June 2017, the Company entered into a loan agreement within credit line not exceeding Baht 600 million with Suanlum with interest rate at MLR-2.95% per annum, which has to be partially repaid or fully repaid with interest when Suanlum has sufficient income in repayment of such loan. As at 31 December 2017, the Company had loan to Suanlum in amount of Baht 337.34 million.

Shopping Center Building Lease Arrangement Agreement

The Group entered into the Shopping Center Building Lease Arrangement Agreement with Dusit Thani in order that Dusit Thani will be an agent for procurement of lease arrangement of shopping center building. Under the conditions of the agreement, the Group has to pay a deposit in amount of Baht 492.4 million within June 2017 and January 2018 and when the Group is able to enter into a lease agreement for shopping center building with Vimarn Suriya Co., Ltd., the Group has to pay fee at the amount specified in the agreement to Dusit Thani and has to pay rental fee at the amount specified in the lease agreement to Vimarn Suriya Co., Ltd.

In June 2017, the Group paid the deposit of Baht 492.4 million to Dusit Thani which was recorded under other non-current assets in the consolidated statements of financial position as at 31 December 2017 (see note 18 to the financial statements).

Rights and Obligations Agreement

The Group entered into the Rights and Obligations Agreement with Dusit Thani in order that the Group can enter into a land lease agreement with other party. The Group has to pay compensation amount of Baht 107 million in June 2017 which was recorded as leasehold right in the consolidated statements of financial position as at 31 December 2017.

Indirect subsidiary

CPN Ventures Sdn. Bhd.

In 2017, the Board of Directors meetings of CPN Ventures Sdn. Bhd. approved to increase the registered capital from Malaysian Ringgit 5 million to Malaysian Ringgit 10 million by issuing the new ordinary shares totalling 5 million shares with par value of Malaysian Ringgit 1 per share, ownership interest of the Group is 100%, approved issuing and calling for paid up newly issued shares of 2.4 million ordinary shares with par value of Malaysian Ringgit 1 per share totalling Malaysian Ringgit 2.4 million (equivalent to Baht 19.2 million).

Central Plaza i-City Real Estate Sdn. Bhd. ("Central Plaza i-City")

In 2017, the Group had classified investments in Central Plaza i-City, which had value based on equity method amounting to Baht 587.1 million, from investments in joint ventures to investments in subsidiaries due to the ultimate decision making in operation and finance are from the Group. Consequently, such company thereon is under control of the Group. The financial statements of such company was included in the Group's consolidated financial statements since 1 January 2017. The comparative consolidated financial statements for the year ended 31 December 2016 have not been restated due to such transaction was immaterial.

In 2017, the Board of Directors meetings of Central Plaza i-City Real Estate Sdn. Bhd, approved to additionally issue and call for paid up newly issued shares from Malaysian Ringgit 112.5 million to Malaysian Ringgit 266.9 million (equivalent to Baht 2,207.8 million) by issuing and calling for paid up newly issued shares of 154.4 million ordinary shares with par value of Malaysian Ringgit 1 per share in order to use for its working capital, ownership interest of the Group is 60%. The Group invested in such increased shares in amount of Malaysian Ringgit 92.64 million (equivalent to Baht 747.5 million) at the same proportion of shareholding of the Group.

For the year ended 31 December 2016.

Direct subsidiary

Central Pattana Realty Co., Ltd.

At the Board of Directors meeting of Central Pattana Realty Co., Ltd. ("Central Pattana Realty"), a subsidiary, held on 4 March 2016, the Board approved to increase the authorised share capital and to allocate newly issued ordinary shares to the shareholders from Baht 830 million to Baht 1,000 million by calling for paid up shares of Baht 170 million in order to use for its working capital, ownership interest of the Company is 100%. The Company invested in such increased shares. Central Pattana Realty registered the increase of the authorised, issued and paid-up share capital with the Ministry of Commerce on 7 March 2016.

CPN Estate Co., Ltd.

In June 2016, the Group established CPN Estate Co., Ltd. which has a registered capital of Baht 1 million, totalling 10,000 shares with par value of Baht 100 per share, ownership interest of the Company is 100%. The Company already paid up for share subscription of 25% amounting to Baht 0.25 million.

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

CPN Residence Khon Kaen Co., Ltd.

At the Board of Directors meeting of the Company held on 22 September 2016, the Board approved to purchase all of shares of CPN Residence Khon Kaen Co., Ltd. from Central Pattana Khon Kaen Co., Ltd. and non-controlling interest of 1,999,994 shares at Baht 25 per share, amounting to totalling Baht 50 million.

Indirect subsidiary

C.S. City Co., Ltd.

At the extraordinary shareholders meeting of C.S. City Co., Ltd. held on 12 April 2016, the shareholders approved to increase calling for paid-up share capital from Baht 25 per share to Baht 70 per share of 10,000 shares by payment of Baht 450,000, of which total paid-up share capital would be Baht 700,000. In addition, the shareholders approved to increase the registered share capital from Baht 1 million to Baht 500 million (from 10,000 shares to 5,000,000 shares) by issuing the ordinary shares of 4,990,000 shares with par value of Baht 100 per share to Central Pattana Realty. Central Pattana Realty partially paid for shares at Baht 70 per share, amounting to Baht 349.3 million. C.S. City Co., Ltd. registered the authorised share capital of Baht 500 million and issued and paid-up share capital of totalling Baht 350 million with the Ministry of Commerce on 20 April 2016.

CPN Ventures Sdn. Bhd.

In July 2016, the Board of Directors meeting of CPN Ventures Sdn. Bhd. approved to increase calling for paid-up share capital for Malaysian Ringgit 1.5 million by increasing from Malaysian Ringgit 3.5 million to Malaysian Ringgit 5.0 million in order to use for its working capital.

Disposal of investments and redemption of investment units

For the year ended 31 December 2017 and 2016

According to unitholders agreement of Thai Business Fund 5 which prescribed that the property fund had to monthly return capital to unitholders at the rate 5.83% of investment units starting from March 2003 to February 2013, at the rate 5.00% of investment units starting from March 2013 to February 2017, at the rate 3.38% of investment units starting from March 2017 to January 2018 and at the rate 23.22% of investment units for the month of February 2018. The property fund had 15 years maturity starting from 6 March 2003 to 5 March 2018. The Company received capital repayment during 2016 in amount of Baht 17.5 million (2016: Baht 24 million).

Entire business transfer between Central Realty Service Co., Ltd. and Central Pattana Realty Co., Ltd.

At the extraordinary shareholders meeting of Central Realty Service Co., Ltd., a subsidiary of a company, on 11 October 2016, the shareholders approved a resolution to transfer entire business to Central Pattana Realty Co., Ltd., another subsidiary of the Company. Therefore, on 11 October 2016 Central Realty Service ("Business transferer company") entered into the entire business transfer agreement to Central Pattana Realty Co., Ltd. ("Business transferee company") by agreeing to transfer rights and obligations under the agreements which business transferer company entered into with the third parties for the business operation.

At the extraordinary shareholders meeting of Central Pattana Realty Co., Ltd. ("Business transferee company"), held on 11 October 2016, the shareholders approved a resolution to transfer entire business from Central Realty Service Co., Ltd. ("Business transferer company") and passed a resolution to increase the registered capital from Baht 1,000 million to Baht 1,003.7 million by issuing the ordinary shares of 365,800 shares with par value of Baht 10 per share as the compensation for the business transfer under the business transfer agreement dated 11 October 2016 to business transferer company in order to transfer to the shareholders of business transferer company in the liquidation process.

On 11 October 2016, business transferer company transferred net assets in amount of Baht 3.7 million to the business transferee company in full amount by receiving the shares of the business transferee company as the compensation in amount of Baht 3.7 million. Business transferer company will subsequently proceed the return of investment to the shareholders.

At the extraordinary shareholders meeting of Central Realty Service Co., Ltd., a subsidiary of the Company, on 11 October 2016, the shareholders approved to dissolve Central Realty Service Co., Ltd., which was registered for the dissolution to Minister of Commerce on 12 October 2016 and was completely liquidated on 4 October 2017.

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

						Separate financial statements	ial stateme	nts				
	Ownership interest	interest	Paid-up capital	capital	Cost	_	Impairment	rment	At cost - net	- net	Dividend income	ncome
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(%)		(in million Baht)	n Baht)				(in tho	(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	1	
Central Pattana Chiangmai Co., Ltd.	100.0	100.0	1,000.0	1,000.0	1,000,000	1,000,000			1,000,000	1,000,000	500,000	500,000
Central Pattana Realty Co., Ltd.	100.0	100.0	1,003.7	1,003.7	1,001,000	1,000,000	•	•	1,001,000	1,000,000	1	•
Central Pattana Rattanathibet Co., Ltd.	100.0	100.0	0.008	0.008	866,685	866'685	•		866,685	866,685	866,685	371,699
Central Realty Service Co., Ltd.	ı	100.0	,	1.0	•	1,000	1	,	•	1,000	•	54,897
(Liquidated on 4 October 2017)												
Central Food Avenue Co., Ltd.	100.0	100.0	5.0	5.0	5,000	5,000	1	,	5,000	5,000	•	
Central World Co., Ltd.	100.0	100.0	2,511.9	2,511.9	2,412,733	2,412,733	1	•	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	302,006	
Central Pattana Chonburi Co., Ltd.	100.0	100.0	0.006	0.006	808,984	808,984	•	•	808,984	808,984	499,500	225,000
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	1	,	744,285	744,285	•	
CPN Global Co., Ltd.	100.0	100.0	1.0	1.0	1,000	1,000	•	•	1,000	1,000	1	•
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	1	•
CPN Learning Center Co., Ltd.	100.0	100.0	1.0	1.0	1,000	1,000	,		1,000	1,000	1	
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	800,000	750,000
CPN Rayong Co., Ltd.	100.0	100.0	1,000.0	1,000.0	666'666	666,666		•	666'666	666,666	1	
Bangna Central Property Co., Ltd.	ı		962.5	962.5	1	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	1	•
CPN Estate Co., Ltd.	100.0	100.0	0.3	0.3	250	250	,		250	250	1	
CPN Residence Khon Kaen Co., Ltd.	100.0	100.0	50.0	50.0	50,000	50,000		•	50,000	50,000	1	٠
Suanlum Property Co., Ltd.	63.0		172.0	ı	108,360	ı	1	٠	108,360	ı	1	
Phraram 4 Development Co., Ltd.	0.06		1.0	1	006	1		•	006	ı	1	
Saladang Property Management												
Co., Ltd.	75.0		0.4	•	300	,	1	,	300	ı	1	•
CPN REIT Management Co., Ltd.	100.0	٠	10.0	1	10,000	ı	1		10,000	ı	1	1
Dara Harbour Co., Ltd.	65.0		215.6	1	291,750	1	,		291,750	ı	1	
CPN Pattaya Hotel Co., Ltd.	100.0	•	51.7	•	51,745	ı	i	ı	51,745	ı		
					. 1							

						Separate finan	icial statement	ıts				
	Ownership interest	interest	Paid-up capita	capital	Cost	st	Impairmen	ment	At cost - net	- net	Dividend income	income
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(%)	-	(in millio	n Baht)				(in tho	(in thousand Baht)			
Funds												
Thai Business Fund 4 ⁽¹⁾ (2)	100.0	100.0	5,443.8	5,443.8	5,443,793	5,443,793	•	•	5,443,793	5,443,793	2,748,485	1,417,756
Thai Business Fund 5 ⁽¹⁾	100.0	100.0	10.6	28.2	10,640	28,160			10,640	28,160	455,674	393,550
Total					24,901,032	24,455,497	•	-	24,901,032	24,455,497	5,895,663	3,712,902

⁽¹⁾Investments in Thai Business Fund 4 and Thai Business Fund 5 are investment units (type C) which have rights to receive dividends subordinated to the other types of unitholders (type A and B).

⁽²⁾Thai Business Fund 4

In 2009, Thai Business Fund 4 amended the dividend payment policy for investment units type C which should not be greater than net cash remaining after (1) the dividend paid and payable to investment units type A and B, (2) the redemption of capital to investment units type A and B, (3) the deduction of cash reserved for other debt payments and (4) the payment for dividend payable.

11 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:

	Lotal Total	Report 2017 (Finan	2,078,764 signal Below	101,864	
Other individually	one marking immaterial subsidiaries		74,341	(7,081)	
31 December 2017	Central Plaza i-City Real Estate Sdn. Bhd.	(in inousand bani) 40% 2% 127,260 58 2,870,650 (65) (909,989) (16) (8,031)	2,079,890 831,956	17,363 (50,114) (50,114) (20,046)	349,195 (1,651,931) 1,237,948 (64,788)
31	Central Pattana Khon Kaen Co., Ltd.	(11 mo) 22% 1,601,558 3,010,088 (357,265) (485,216)	3,769,165 824,316	958,647 357,433 357,433 78,171	401,376 (540,909) 135,104 (4,429)
	Central Pattana Nine Square Co., Ltd.	3,344,226 3,469,632 (274,187) (1,343,392)	5,196,279 348,151	1,550,241 758,501 758,501 50,820	886,227 (901,280) (2) (15,055)
		Non-controlling interest percentage Current assets Non-current assets Current liabilities Non-current liabilities	Net assets Carrying amount of non-controlling interest	Revenue Profit Total comprehensive income Profit allocated to non-controlling interest	Cash flows from operating activities Cash flows from investing activities Cash flows from financing activities (dividends to non-controlling interest: nil) Net decrease in cash and cash equivalents

Total		967,754	103,231	
r 2016 Other individually immaterial subsidiaries <i>Baht)</i>		•	•	
31 December 2016 Central Pattana C Khon Kaen Co., Ltd. imn	22% 220,264 3,905,520 (239,235) (483,924)	3,402,625 744,154	907,702 283,003 283,003 61,893	400,583 (468,505) 79,374 11,452
Central Pattana Nine Square Co., Ltd.	7% 120,203 4,883,772 (300,747) (1,365,929)	3,337,299 223,600	1,449,129 616,988 619,988 41,338	914,880 (895,494) (2) (19,384)
	Non-controlling interest percentage Current assets Non-current assets Current liabilities Non-current liabilities	Net assets Carrying amount of non-controlling interest	Revenue Profit Total comprehensive income Profit allocated to non-controlling interest	Cash flows from operating activities Cash flows from investing activities Cash flows from financing activities (dividends to non-controlling interest: nil) Net increase in cash and cash equivalents

12 Investment in associates and joint ventures

	Consoli financial st		Sepa financial s	
	2017	2016	2017	2016
		(in thousa	and Baht)	
Associates				
At 1 January	5,568,957	5,452,827	7,578,674	7,578,674
Acquisitions	288,759	-	288,759	-
Share of net profit of investment				
- equity method	839,028	858,498	-	-
Dividend income	(776,662)	(742,368)	-	-
Redemption of investment units from				
conversion fund to trust	(5,002,977)	-	(6,480,076)	-
Receipt of investment units trust from				
conversion fund to trust	5,002,977	-	6,480,076	-
At 31 December	5,920,082	5,568,957	7,867,433	7,578,674
Joint ventures				
At 1 January	587,147	64,477	-	-
Acquisitions	380,400	528,249	232,500	-
Share of net losses of joint ventures	(321)	(5,579)	-	-
Classification of investments	,			
to subsidiaries	(587,147)	-	-	-
At 31 December	380,079	587,147	232,500	

Acquisition of investments

For year ended 31 December 2017

Associates

Vimarn Suriya Co., Ltd. ("Vimarn Suriya")

Shareholders' Agreement and Share Purchase Agreement

At the Board of Directors meeting of the Company approved to jointly invest in a mixed-use development project consisting of hotel, residential building, shopping center and office building and the Company entered into the shareholders' agreement of Vimarn Suriya with Dusit Thani Public Company Limited ("Dusit Thani"). Vimarn Suriya operates the hotel business, real estate business for sales of condominium units and construction of shopping centers for rent. The Company has to acquire investment in ordinary shares of Vimarn Suriya from Dusit Thani and to invest in the ordinary shares increasing in share capital as specified in the agreement. On 28 June 2017, the Company invested in ordinary shares of 3.85 million shares in proportion of 35% of the registered capital. The Company had paid for share subscription in amount of Baht 288.76 million. In addition, Dusit Thani has a share purchase call option of Vimarn Suriya from the Company in proportion 10% of registered capital at conditional price and within period as specified in the agreement. In addition, the Company entered into the Share Purchase Agreement of Vimarn Suriya from Dusit Thani, to additionally purchase ordinary shares in proportion of 5% of registered capital of which the shareholding proportion of the Company will be 40% of registered capital at price and period as specified in the agreement.

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

In addition, the Company and Dusit Thani will grant loans to Vimarn Suriya in proportion mutually agreed in the agreement. In June 2017, the Company entered into a loan agreement with credit line not exceeding Baht 350 million with Vimarn Suriya with interest rate at MLR - 1.0% per annum, which has to be partially repaid or fully repaid with interest when Vimarn Suriya has sufficient income in repayment of such loan. As at 31 December 2017, the Company had loan to Vimarn Suriya in amount of Baht 134.32 million.

Joint ventures

Synergistic Property Development Co., Ltd.

At the Board of Directors meeting of the Company held on 31 May 2017, shareholders approved to jointly invest with a local company. The Company's portion of investment is 50%. In September 2017, there was establishment of Synergistic Property Development Co., Ltd. which has a registered capital of Baht 465 million, totalling 4.65 million shares with par value of Baht 100 per share. In September 2017, the Company had paid for share subscription in amount of Baht 232.5 million at the proportion of investment of the Company.

Phenomenon Creation Co., Ltd.

At the Board of Directors meeting of Bangna Central Property Co., Ltd. held on 31 May 2017, shareholders approved to jointly invest in a theme park project in Central Phuket shopping center with a local company. The Group's portion of investment is 51%. In July 2017, there was establishment of Phenomenon Creation Co., Ltd. to be the joint venture company in such project which has a registered capital of Baht 400 million, totalling 40 million shares with par value of Baht 10 per share. In July 2017, the Group paid for share subscription of 72.5% amounting to Baht 147.9 million at the proportion of investment of the Group.

For year ended 31 December 2016

Central Plaza i-City Real Estate Sdn. Bhd ("Centrak Plaza i-City)

At the Board of Directors meeting of Central Plaza i-City held on 27 June 2016, shareholders approved a resolution to increase the registered capital from Malaysian Ringgit 25 million to Malaysian Ringgit 458 million by registering the increased ordinary shares, totalling 433 million shares with par value of Malaysian Ringgit 1 per share.

During the year ended 31 December 2016, the Board of Directors meetings of Central Plaza i-City approved to additionally issue and call for paid up newly issued shares from Malaysian Ringgit 12.0 million to Malaysian Ringgit 100.5 million (equivalent to Baht 870.4 million) by issuing and calling for paid up newly issued shares of 88.5 million ordinary shares with par value of Malaysian Ringgit 1 per share in order to use for its working capital. The Group invested in those increased shares in amount of Malaysian Ringgit 60.3 million (equivalent to Baht 528.2 million) at the same proportion of shareholding of the Group.

The conversion of CPN Retail Growth Leasehold Property Fund ("CPNRF")

On 31 May 2017, the Board of Directors meeting of the Company agreed with the conversion of CPNRF into CPN Retail Growth Leasehold REIT (the trust "CPNREIT"). The Company is the unitholder of CPNRF as holding 590.5 million units representing 26.69% of the total investment units. On 28 August 2017, the unitholders' meeting of CPNRF approved conversion of CPNRF into the trust "CPNREIT" and dissolution of CPNRF.

On 29 November 2017, the trust "CPNREIT" was established under the trust for transaction in Capital Market Act, B.E. 2550 by SCB Asset Management Company Limited acting as the trustee of the trust and CPN REIT Management Company Limited acting as the REIT Manager of the Trust and on the same date, CPNRF entered into the Rights and Duties Transferred Agreement with the trust which is the transfer of ownership of assets, rights and duties according to the agreements entered into with other parties of 4 projects which are CentralPlaza Rama II, CentralPlaza Rama III, CentralPlaza Pinklao and CentralPlaza Chiangmai Airport.

On 1 December 2017, CPNRF had transferred its assets, liabilities and obligations to the trust "CPNREIT" which received compensation as unit trusts of the trust "CPNREIT".

Subsequently, on 4 December 2017, CPNRF had transferred such unit trusts to the unitholders of the trust "CPNREIT" which were the old unitholders of CPNRF at ratio of 1:1 and dissolved CPNRF on the same date. Consequently, the Company holds 590.5 million units trust of the trust "CPNREIT" which is equivalent to 26.69% of the total number of units trust. Acquisition of unit trusts are recorded CPNRF's investment unit trusts at historical cost in amount of Baht 6,480.08 million in separate statements of financial position, and at equity method in amount of Baht 5,002.98 million in consolidated statements of financial position.

SCB Asset Management Co., Ltd. (Fund Management Company) had notified the Stock Exchange of Thailand (the "SET") to determine the dissolution date of CPNRF and to get into liquidation process by liquidator to be on 4 December 2017 and the delisting date from the SET to be on 14 December 2017 which was the same date as the first trading day of unit trusts of the trust "CPNREIT" in the SET.

Collateral

As at 31 December 2017, the Company had 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.

Investment in associates and joint ventures as at 31 December 2017 and 2016 and dividend income from the investment for the years then ended were as follows:

		Dividend income	2016						643,846		98,522		•	,	742,368							•	
		Dividenc	2017						674,493		102,169			,	776,662			ı		1			1
	ne of	urities	2016						11,515,173		1,567,902			,				1		1		•	
	Fair value of	listed securities	2017						•		1,525,238		13,109,581	,				•		1		•	
ts		ty	2016	d Baht)					5,010,159		558,798		1	ı	5,568,957			587,147		ı			587,147
Consolidated financial statements		Equity	2017	(in thousand Baht)					•		569,822		5,062,447	287,813	5,920,082					147,786		232,293	380,079
Consolidated fi		st	2016						6,480,076		1,098,598		1	ı	7,578,674			589,219		1			589,219
		Cost	2017						1		1,098,598		6,480,076	288,759	7,867,433			1		147,900		232,500	380,400
		capital	2016						24,406,208		4,394,382		1					971,257		,		•	
		Paid-up capital	2017						1		4,394,382		29,653,383	825,025				1		290,000		465,000	
		Ownership interest	2016	(%)					26.7		25.0			,				0.09				•	
		Ownersh	2017	•					•		25.0		26.7	35.0				•		51.0		50.0	
					Associates	CPN Retail Growth	Leasehold Property Fund	(Dissolved on	4 December 2017)	CPN Commercial Growth	Leasehold Property Fund	CPN Retail Growth	Leasehold REIT	Vimarn Suriya Co., Ltd.	Total	Joint ventures	Central Plaza i-City	Real Estate Sdn. Bhd.	Phenomenon Creation	Co., Ltd.	Synergistic Property	Development Co., Ltd.	Total

NOTES TO THE INANCIAL STATEMENT

Investment in associates and joint ventures as at 31 December 2017 and 2016 and dividend income from the investment for the years then ended were as follows:

	þ		2016						643,846		98,522		ı	ı	742,368		
	Dividend	income	2017						674,493		102,169		ı	,	776,662		 -
	lue of	curities	2016						11,515,173		1,567,902		ı	,	. "		
ıts	Fair value of	listed securities	2017	nd Baht)					•		1,525,238		13,109,581	,			ı
Separate financial statements		st	2016	(in thousand Baht)					6,480,076		1,098,598		•	•	7,578,674		1
Separate fina		Cost	2017								1,098,598		6,480,076	288.759	7,867,433		232,500
		Paid-up capital	2016						24,406,208		4,394,382						ı
		Paid-up	2017						•		4,394,382		29,653,383	825.025			465,000
		p interest	2016	6					26.7		25.0		ı	,			ı
		Ownership interest	2017	(%)					,		25.0		26.7	35.0			50.0
					Associates	CPN Retail Growth	Leasehold Property Fund	(Dissolved on	4 December 2017)	CPN Commercial Growth	Leasehold Property Fund	CPN Retail Growth	Leasehold REIT	Vimarn Suriya Co., Ltd.	Total	Joint ventures	Development Co., Ltd.

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.

Revenue Total comprehensive income (100%) Group's share of total comprehensive income Current assets Non-current liabilities Non-current liabilities Not assets (100%) Unrealised from fair value measurement	Leasehold Property Fund 2017 2017 2016 3,147,578 3,530,720 2,500,232 2,830,780 - 1,194,779 - 1,194,779 - 32,409,053 - (574,467) - (3,036,753) - (3,036,753) - (3,036,753) - (3,036,753) - (3,036,753) - (3,036,753) - (3,036,753) - (3,036,753) - (3,036,753) - (3,036,753) - (3,036,753) - (3,036,753)	Leasehold Property Fund 2017 2016 (in thousand Baht) 611,600 570,334 452,772 113,193 1128,307 5,097,584 5,301,91- (29,746) (29,746) (468,168) (502,16) (468,168) (502,16) (468,168) (502,16) (468,168) (600,909)	Leasehold Property Fund 2017 2016 (in thousand Baht) 611,600 570,330 452,772 411,778 113,193 102,945 128,307 117,723 5,097,584 5,301,914 (29,746) (29,746) (468,168) (468,168) (468,168) (468,168) (468,168) (502,168) (468,168) (468,168) (502,168) (468,168) (468,168) (502,168) (468,168) (502,168) (468,168) (502,168) (468,168) (502,168) (468,168) (502,168) (502,168) (602,168)	Leasehold REIT 2017 20 378,353 222,817 59,470 2,744,440 44,331,612 (1,683,894) (15,930,934) 29,461,224 (3,153,480) 26,307,744	Leasehold REIT 017 2016 78,353 - 22,817 - 44,440 - 31,612 83,894) - 83,894) - 61,224 - 61,224 - 61,224 - 61,224 - 61,744 -
Group's share of net assets	6,969,249	1,161,767	1,150,743	7,021,537	
Elimination of profit from sale of assets to associate	(1,959,090)	(591,945)	(591,945)	(1,959,090)	ı
Carrying amount of interest in associates	5,010,159	569,822	558,798	5,062,447	ı

Immaterial associates and joint ventures

The following is summarized financial information for the Group's interest in immaterial associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

	Immaterial A	Associates	Immaterial Jo	int ventures
	2017	2016	2017	2016
		(in thous	and Baht)	
Carrying amount of interests in immaterial associates and joint ventures	287,813	-	380,079	587,147
Group's share of:				
- Total comprehensive income	(946)	-	(321)	(5,579)

13 Investment properties

	Consol financial s	tatements	Sepa financial s	tatements
	2017	2016	2017	2016
Cost		(in thousa	na Bant)	
	07.020.516	01 476 575	44 175 000	40 665 121
At 1 January	97,039,516	91,476,575	44,175,882	40,665,121
Additions	12,376,429	5,862,219	5,790,943	3,659,385
Disposals / amortisation	(306,308)	(299,278)	(146,836)	(148,624)
At 31 December	109,109,637	97,039,516	49,819,989	44,175,882
Depreciation				
At 1 January	20,339,135	16,680,139	6,054,310	4,343,482
Depreciation charge for the year	3,979,130	3,721,905	1,950,382	1,733,154
Disposals / amortisation	(180,843)	(62,909)	(92,359)	(22,326)
At 31 December	24,137,422	20,339,135	7,912,333	6,054,310
At 31 December	24,137,422	20,337,133	7,712,333	0,034,310
Net book value				
At 1 January 2016	-	74,796,436	-	36,321,639
At 31 December 2016 and				
1 January 2017	76,700,381	76,700,381	38,121,572	38,121,572
At 31 December 2017	84,972,215		41,907,656	
		C 1	• 1 . 1	
		Consol		
	20	financial s		116
	20			016
	Book value	Fair value	Book value	Fair value
	0.4.050	(in millio	/	
Investment properties	84,972		76,700	
Leasehold rights (part)	4,367		3,578	
Total	89,339	180,409	80,278	167,688

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

Separate financial statements

	201	17	201	16
	Book value	Fair value	Book value	Fair value
		(in million	n Baht)	
Investment properties	41,908		38,121	
Leasehold rights (part)	2,243		2,328	
Total	44,151	77,127	40,449	71,329

Measurement of fair value

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique

Valuation technique

Type of financial asset

Land	Market Comparison Approach
Shopping center	Income approach Discounted cash flows; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary) and lease terms of tenant.

Investment properties comprise a number of commercial properties that are leased to third parties which consist of:

-	CentralPlaza Chiangmai Airport	-	CentralPlaza Ramindra
-	CentralPlaza Bangna	-	CentralPlaza Pinklao
-	Central Marina	-	CentralPlaza Rama 3
-	CentralPlaza Rattanathibet	-	CentralPlaza Changwattana
-	CentralFestival Pattaya Beach	-	CentralPlaza Udonthani
-	CentralPlaza Chonburi	-	CentralPlaza Khonkaen
-	CentralPlaza Chiangrai	-	CentralPlaza Pisanulok
-	CentralPlaza Grand Rama 9	-	Grand Rama 9 Office Building
-	Central City Residential	-	Chaengwattana Office Building
-	Bangna Office Building	-	CentralPlaza Suratthani
-	CentralPlaza Lampang	-	CentralPlaza Ubonratchathani
-	CentralFestival Chiangmai	-	CentralFestival Hat-yai
-	CentralFestival Samui	-	CentralPlaza Salaya
-	CentralPlaza Rayong	-	CentralFestival Phuket
-	CentralPlaza WestGate	-	CentralFestival EastVille
-	CentralPlaza Nakhon Si Thammarat	-	CentralPlaza Mahachai
_	CentralPlaza Nakhon Ratchasima	_	Projects under development

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

The Group's projects under development consist of shopping centers and office buildings.

Collateral

As at 31 December 2017, part of the Group's investment properties which were used as collateral for borrowings as discussed in note 19.

Direct operating expenses

Direct operating expenses, include in 'cost of rent and services', was as follows.

	Consolidated		Separate		
	financial s	tatements	financial statements		
Year ended 31 December	2017 2016		2017	2016	
	(in thousand Baht)				
Income-generating property	5,575,641	5,384,252	2,999,193	2,844,013	
Vacant property	1,909	54,534	1,909	54,234	
Total	5,577,550	5,438,786	3,001,102	2,898,247	

14 Property, plant and equipment

Consolidated financial statements

		Conso		Cilicitis		
	Furniture,					
			fixtures,			
			office and			
		Buildings and	transportation	Asset under		
	Land	improvements	equipments	construction	Total	
			(in thousand Baht)			
Cost						
At 1 January 2016	91,371	2,337,028	1,180,679	92,654	3,701,732	
Additions	-	17,722	83,705	57,205	158,632	
Transfer - net	-	40,484	23,294	(63,778)	-	
Disposals / write off	-	(1,823)	(39,266)	(16,633)	(57,722)	
At 31 December 2016 and						
1 January 2017	91,371	2,393,411	1,248,412	69,448	3,802,642	
Additions	_	45,535	96,823	47,750	190,108	
Transfer - net	-	87,687	(68,977)	(18,710)	-	
Disposals / write off	-	(757)	(320,132)	(352)	(321,241)	
At 31 December 2017	91,371	2,525,876	956,126	98,136	3,671,509	
Depreciation						
At 1 January 2016	-	920,460	842,225	-	1,762,685	
Depreciation charge for	-	,	,		, ,	
the year		174,682	106,653	_	281,335	
Transfer - net	_	92	(92)	_	-	
Disposals / write off	_	(554)	(37,628)	_	(38,182)	
At 31 December 2016 and	·					
1 January 2017	_	1,094,680	911,158	_	2,005,838	
Depreciation charge for	_	1,00 1,000	711,100		_,000,000	
the year		178,962	98,978	_	277,940	
Transfer - net	_	68,017	(68,017)	_		
Disposals / write off	_	(660)	(287,423)	_	(288,083)	
At 31 December 2017		1,340,999	654,696		1,995,695	
THE DECEMBER 2017		1,070,777	054,070		197739073	

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

Consolidated financial statements

	Land	Buildings and improvements	Furniture, fixtures, office and transportation equipments (in thousand Baht)	Asset under construction	Total
Net book value					
At 1 January 2016	04.054	1 11 6 7 60	226022	00 674	1 00= 11=
Owned assets	91,371	1,416,568	336,822	92,654	1,937,415
Assets under finance leases			1,632		1,632
	91,371	1,416,568	338,454	92,654	1,939,047
At 31 December 2016 and 1 January 2017					
Owned assets	91,371	1,298,731	336,298	69,448	1,795,848
Assets under finance leases	-	-	956	-	956
	91,371	1,298,731	337,254	69,448	1,796,804
At 31 December 2017					
Owned assets	91,371	1,184,877	296,726	98,136	1,671,110
Assets under finance leases			4,704		4,704
	91,371	1,184,877	301,430	98,136	1,675,814

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 2017 amounted to Baht 575 million (2016: Baht 679 million).

		Separate financial Furniture, fixtures,	statements	
	Buildings and improvements	office and transportation equipments	Asset under construction	Total
Cost		(in thousand I	Bant)	
At 1 January 2016	141,056	693,612	79,827	914,495
Additions	2,876	62,703	27,739	93,318
Transfer - net	26,325	22,790	(49,115)	-
Disposals / write off	(79)	(4,896)	(19,889)	(24,864)
At 31 December 2016 and				
1 January 2017	170,178	774,209	38,562	982,949
Additions	11,695	71,171	10,553	93,419
Transfer - net	78,113	(73,786)	(4,327)	-
Disposals / write off		(70,241)	(352)	(70,593)
At 31 December 2017	259,986	701,353	44,436	1,005,775
Depreciation				
At 1 January 2016	77,933	475,925	-	553,858
Depreciation charge for the year	12,139	68,286	-	80,425
Transfer - net	85	(85)	-	-
Disposals / write off	(40)	(3,947)		(3,987)
At 31 December 2016 and				
1 January 2017	90,117	540,179	-	630,296
Depreciation charge for the year	12,126	65,341	-	77,467
Transfer - net	72,986	(72,986)	-	-
Disposals / write off		(65,316)		(65,316)
At 31 December 2017	175,229	467,218		642,447
Net book value				
At 1 January 2016				
Owned assets	63,123	216,055	79,827	359,005
Assets under finance leases		1,632		1,632
	63,123	217,687	79,827	360,637
At 31 December 2016 and 1 January 2017				
Owned assets	80,061	233,074	38,562	351,697
Assets under finance leases	-	956	-	956
	80,061	234,030	38,562	352,653
At 31 December 2017				
Owned assets	QA 757	229,431	11 126	358,624
Assets under finance leases	84,757	4,704	44,436	4,704
Assets under infaller leases	94 757		44,436	363,328
	84,757	234,135	44,430	303,320

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 416 million (2016: Baht 432 million).

Central Pattana Public Company Limited and its Subsidiaries Notes to the financial statements

For the year ended 31 December 2017

15 Leasehold rights

	Consolidated financial statements	Separate financial statements
_	(in thousan	nd Baht)
Cost At 1 January 2016 Additions	23,873,759 260,206	11,546,572 224,492
At 31 December 2016 and 1 January 2017	24,133,965	11,771,064
Additions	1,804,518	593,625
Deductions	(8,327)	(8,327)
At 31 December 2017	25,930,156	12,356,362
Accumulated amortisation At 1 January 2016 Amortisation for the year	12,229,387 1,257,247	4,725,306 771,263
At 31 December 2016 and 1 January 2017	13,486,634	5,496,569
Amortisation for the year	1,244,568	766,447
Deductions	(8,103)	(8,103)
At 31 December 2017	14,723,099	6,254,913
Net book value At 1 January 2016	11,644,372	6,821,266
At 31 December 2016 and 1 January 2017	10,647,331	6,274,495
At 31 December 2017	11,207,057	6,101,449

During the year 2017, additional leasehold rights were mainly as the Group entered into lease agreements with third parties for developing and constructing projects of shopping centers, department stores and office buildings by paying compensation for leasehold rights amounting to totalling Baht 1,067.64 million (2016: Baht 155.29 million) and also the acquisition of assets for use in shopping centres of Central World and CentralPlaza Lardprao totalling amount Baht 736.88 million. (2016: Baht 104.92 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.

Central Pattana Public Company Limited and its Subsidiaries Notes to the financial statements

For the year ended 31 December 2017

Direct operating expenses

Direct operating expenses, include in 'cost of rent and services', was as follows.

	Consolidated		Separate	
	financial st	tatements	financial statements	
Year ended 31 December	2017	2016	2017	2016
		(in thousa	nd Baht)	
Income-generating property	2,423,832	2,451,874	1,853,691	1,850,806

16 Rights for usage of assets

Consolidated	
financial statements	Separate financial statements
(in thou	isand Baht)
272,637	70,384
321,442	343,329
594,079	413,713
7,240	7,240
601,319	420,953
75,627	5,959
36,681	34,918
112,308	40,877
37,069	33,208
149,377	74,085
197,010	64,425
481,771	372,836
451,942	346,868
	financial statements (in thou 272,637 321,442 594,079 7,240 601,319 75,627 36,681 112,308 37,069 149,377

During 2016, the Company entered into a memorandum agreement for link to skytrain station, passenger walkway or gateway license with Mass Rapid Transit Authority of Thailand ("MRTA"). Pursuant to this memorandum the Company has to give its ownership in the MRTA with net book value amounting to Baht 267 million to MRTA. The Company has recorded as the rights for usage of assets in the statements of financial position.

17 Deferred tax

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

	Consolidated financial statements					
	Asset	ts	Liabili	ties		
	2017	2016	2017	2016		
		(in thousand	d Baht)			
Total	1,798,242	1,665,384	(375,299)	(484,600)		
Set off of tax	(375,299)	(449,450)	375,299	449,450		
Net deferred tax			<u> </u>			
assets (liabilities)	1,422,943	1,215,934	<u>-</u> _	(35,150)		
	Separate financial statements					
	Asset	ts	Liabilities			
	2017	2016	2017	2016		
		(in thousand	d Baht)			
Total	947,366	876,438	(276,504)	(336,053)		
Set off of tax	(276,504)	(336,053)	276,504	336,053		
Net deferred tax	·					

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

Consolidated financial statements (Charged) / credited to: Other At 1 comprehensive At 31 January Profit or loss income December 2017 (note 32) 2017 (in thousand Baht) Deferred tax assets Trade accounts receivable (allowance for doubtful accounts) 4,295 1,896 6,191 Investment properties *(allowance for impairment)* 20,140 20,140 Investment properties (shopping building under consignment sale agreement) 12,204 248,177 260,381 Leasehold rights (difference from recognition of rental expenses by straight-line-method) 360,767 26,940 387,707 Provisions for employee benefits 8,310 71,025 62,715 Deposits received from customers 806,359 (2,896)803,463 Loss carry forward 46,988 22,834 69,822 Others 179,513 115,943 63,570 **Total** 1,665,384 132,858 1,798,242

1,180,784

Central Pattana Public Company Limited and its Subsidiaries

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

Net

	Consolidated financial statements (Charged) / credited to: Other			
	At 1		comprehensive	At 31
	January	Profit or loss	income	December
	2017		e 32)	2017
		,	and Baht)	
Deferred tax liabilities		,	,	
Gain on lease under finance lease	(484,600)	109,301	-	(375,299)
Total	(484,600)	109,301		(375,299)
			·	
Net	1,180,784	242,159		1,422,943
		Consolidated fin	ancial statements	
		(Charged)	/ credited to: Other	
	At 1		comprehensive	At 31
	January	Profit or loss	income	December
	2016	(note		2016
	2010	,	and Baht)	2010
Deferred tax assets		(**************************************	<i></i>	
Trade accounts receivable				
(allowance for doubtful				
accounts)	4,290	5	-	4,295
Investment properties				
(allowance for impairment)	20,140	-	-	20,140
Investment properties	,			,
(shopping building under				
consignment sale agreement)	235,973	12,204	-	248,177
Leasehold rights (difference from				
recognition of rental expenses by				
straight-line-method)	340,216	20,551	-	360,767
Provisions for employee benefits	54,908	7,807	-	62,715
Deposits received from customers	546,419	259,940	-	806,359
Loss carry forward	29,391	17,597	-	46,988
Others	78,811	37,132		115,943
Total	1,310,148	355,236	-	1,665,384
Deferred tax liabilities	7-1-			
Gain on lease under finance lease	(597,512)	112,912		(484,600)
Total	(597,512)	112,912		(484,600)

712,636

468,148

Notes to the financial statements

For the year ended 31 December 2017

	Separate financial statements (Charged) / credited to: Other			
	At 1 January 2017	Profit or loss (note (in thousa	comprehensive income 32)	At 31 December 2017
Deferred tax assets Trade accounts receivable		(in inouse	ina Bani)	
(allowance for doubtful accounts) Leasehold rights (difference from	670	3,205	-	3,875
recognition of rental expenses by straight-line-method)	351,299	18,686	-	369,985
Provisions for employee benefits Advance received from rental and	53,311	8,289	-	61,600
service income	49,322	15,234	-	64,556
Deposits received from customers	403,044	10,278	-	413,322
Others	18,792	15,236		34,028
Total	876,438	70,928		947,366
Deferred tax liabilities				
Gain on lease under finance lease	(336,053)	59,549		(276,504)
Total	(336,053)	59,549		(276,504)
Net	540,385	130,477		670,862
		Separate finance (Charged) /	credited to:	
	A+ 1	=	credited to: Other	A+ 21
	At 1 January	(Charged) /	credited to: Other comprehensive	At 31 December
	At 1 January 2016	=	credited to: Other comprehensive income	At 31 December 2016
	January	(Charged) / Profit or loss	oredited to: Other comprehensive income 32)	December
Deferred tax assets	January	(Charged) / Profit or loss (note	oredited to: Other comprehensive income 32)	December
Trade accounts receivable (allowance for doubtful accounts) Leasehold rights (difference from	January	(Charged) / Profit or loss (note	oredited to: Other comprehensive income 32)	December
Trade accounts receivable (allowance for doubtful accounts) Leasehold rights (difference from recognition of rental expenses by	January 2016 1,132	(Charged) / Profit or loss (note (in thousa) (462)	oredited to: Other comprehensive income 32)	December 2016 670
Trade accounts receivable (allowance for doubtful accounts) Leasehold rights (difference from recognition of rental expenses by straight-line-method)	January 2016 1,132 326,785	(Charged) / Profit or loss (note (in thousa) (462)	oredited to: Other comprehensive income 32)	December 2016 670 351,299
Trade accounts receivable (allowance for doubtful accounts) Leasehold rights (difference from recognition of rental expenses by straight-line-method) Provisions for employee benefits Advance received from rental and	January 2016 1,132 326,785 46,946	(Charged) / Profit or loss	oredited to: Other comprehensive income 32)	December 2016 670 351,299 53,311
Trade accounts receivable (allowance for doubtful accounts) Leasehold rights (difference from recognition of rental expenses by straight-line-method) Provisions for employee benefits Advance received from rental and service income	January 2016 1,132 326,785 46,946 31,487	(Charged) / Profit or loss	oredited to: Other comprehensive income 32)	December 2016 670 351,299 53,311 49,322
Trade accounts receivable (allowance for doubtful accounts) Leasehold rights (difference from recognition of rental expenses by straight-line-method) Provisions for employee benefits Advance received from rental and service income Deposits received from customers	January 2016 1,132 326,785 46,946 31,487 254,320	(Charged) / Profit or loss (note (in thousa) (462) 24,514 6,365 17,835 148,724	oredited to: Other comprehensive income 32)	December 2016 670 351,299 53,311 49,322 403,044
Trade accounts receivable (allowance for doubtful accounts) Leasehold rights (difference from recognition of rental expenses by straight-line-method) Provisions for employee benefits Advance received from rental and service income	January 2016 1,132 326,785 46,946 31,487	(Charged) / Profit or loss	oredited to: Other comprehensive income 32)	December 2016 670 351,299 53,311 49,322
Trade accounts receivable (allowance for doubtful accounts) Leasehold rights (difference from recognition of rental expenses by straight-line-method) Provisions for employee benefits Advance received from rental and service income Deposits received from customers Others Total	January 2016 1,132 326,785 46,946 31,487 254,320 15,911	(Charged) / Profit or loss (note (in thousa) (462) 24,514 6,365 17,835 148,724 2,881	oredited to: Other comprehensive income 32)	December 2016 670 351,299 53,311 49,322 403,044 18,792
Trade accounts receivable (allowance for doubtful accounts) Leasehold rights (difference from recognition of rental expenses by straight-line-method) Provisions for employee benefits Advance received from rental and service income Deposits received from customers Others Total Deferred tax liabilities	January 2016 1,132 326,785 46,946 31,487 254,320 15,911 676,581	(Charged) / Profit or loss (note (in thousa) (462) 24,514 6,365 17,835 148,724 2,881 199,857	oredited to: Other comprehensive income 32)	December 2016 670 351,299 53,311 49,322 403,044 18,792 876,438
Trade accounts receivable (allowance for doubtful accounts) Leasehold rights (difference from recognition of rental expenses by straight-line-method) Provisions for employee benefits Advance received from rental and service income Deposits received from customers Others Total	January 2016 1,132 326,785 46,946 31,487 254,320 15,911	(Charged) / Profit or loss (note (in thousa) (462) 24,514 6,365 17,835 148,724 2,881	oredited to: Other comprehensive income 32)	December 2016 670 351,299 53,311 49,322 403,044 18,792

Central Pattana Public Company Limited and its Subsidiaries Notes to the financial statements

For the year ended 31 December 2017

18 Other non-current assets

		Consolic	lated	Separate	
		financial sta	tements	financial sta	atements
	Note	2017	2016	2017	2016
			(in thousa	nd Baht)	
Deposits	4, 10	739,358	167,138	106,030	121,368
Advance payment for					
purchases of investment					
properties and leasehold rights	38 (n)	358,501	631,891	123,591	347,265
Withholding tax deducted					
at source		2,610	894	-	-
Guarantees for leasehold					
rights		600	600	-	-
Total	_	1,101,069	800,523	229,621	468,633

19 Interest-bearing liabilities

		Consol financial s		Separate financial statements	
	Note	2017	2016	2017	2016
_			(in thous	sand Baht)	
Current Unsecured short-term loans from related parties	4			8,759,460	15,755,599
Short-term loans from other parties		14,229			
Current portion of long-term loans Current portion of long-term loans from financial institutions - unsecured		333,600	1,490,970	333,600	1,490,970
Current portion of long-term loans from institutional investors - secured - unsecured		40,477 1,900,000 1,940,477	66,650 3,150,000 3,216,650	1,900,000 1,900,000	3,150,000 3,150,000
Total current portion of long-term loans		2,274,077	4,707,620	2,233,600	4,640,970
Total current		2,288,306	4,707,620	10,993,060	20,396,569
Non-current Unsecured long-term loans from related parties	4		-	25,058,486	3,460,149
Other long term loans Long-term loans from financial institutions - unsecured		555,200	4,556,190	555,200	4,556,190

			lidated statements		arate statements
	Note	2017	2016 (in thous	2017 sand Baht)	2016
Long-term loans from institutional investors			`	•	
- secured		-	40,477	-	-
- unsecured		6,700,000	8,600,000	6,700,000	8,600,000
		6,700,000	8,640,477	6,700,000	8,600,000
Total other long term loans		7,255,200	13,196,667	7,255,200	13,156,190
Total non-current		7,255,200	13,196,667	32,313,686	16,616,339
Total		9,543,506	17,904,287	43,306,746	37,012,908

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

	Consol	lidated	Sepa	rate
	financial s	tatements	financial s	tatements
	2017	2016	2017	2016
		(in thouse	and Baht)	
Within one year	2,288,306	4,707,620	10,993,060	20,396,569
After one year but within five years	7,255,200	10,796,667	32,313,686	14,216,339
After five years	-	2,400,000	-	2,400,000
Total	9,543,506	17,904,287	43,306,746	37,012,908

As at 31 December 2017, secured loans of Baht 40.5 million of the Group (2016: Baht 107 million) were collateralised by the following assets:

	Consoli financial st		Sepa financial s	
	2017	2016	2017	2016
		(in thousar	nd Baht)	
Investment properties				
- Buildings and improvements	1,990,571	2,038,003	-	-
- Land	179,512	179,512	-	-
Total	2,170,083	2,217,515	_	

As at 31 December 2017 the Group had unutilised credit facilities totalling Baht 10,274 million (2016: Baht 9,446 million).

Long-term loans from financial institutions

In September 2015, the Company entered into a loan agreement not exceeding of Baht 1,000 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal in 36 monthly instalments. The Company had already fully withdrawn total amount of loan and started the repayment for the first instalment in October 2017.

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

In June 2012, the Company entered into a loan agreement denominated in Thai Baht of Baht 1,500 million with a local financial institution. The agreement covered a grace period of 2 years. The loan was monthly repayable in 36 instalments of Baht 41.7 million per instalment. The first repayment was due in June 2014. During the year 2017, the Company fully repaid loan from financial institution.

In December 2013, the Company entered into a term loan agreement of Baht 1,000 million with a financial institution. Such agreement should completely repay the drawn down amount by November 2020. The Company agreed to pay interest on the last working day of the month and repay the principal in 60 monthly instalments, starting the first instalment in December 2015. During the year 2017, the Company fully repaid such loan from financial institution.

In October 2014, the Company entered into a loan denominated in Thai Baht of Baht 2,000 million with a local financial institution. Such agreement stipulated the Company to repay the principal in 36 monthly instalments as instalments 1-35 of Baht 55 million each and instalment 36 would be the remaining loan amount. During the year 2017, the Company fully repaid such loan from financial institution.

In December 2013, the Company has a loan dominated in Thai Baht of Baht 1,000 million with a local financial institution. Such agreement stipulated the Company to repay the principal instalments totalling 36 monthly instalments of Baht 27.8 million on the last working day of the month due for each period, starting the first instalment on the last working day of December 2017. The Company had already fully withdrawn the total amount of loan. During the year 2017, the Company fully repaid such loan from financial institution.

In December 2015, the Company entered into a loan agreement not exceeding of Baht 3,000 million credit facility agreement with a financial institution. Such agreement stipulated that the principal was repayable in 36 monthly instalments. The Company had already fully withdrawn total amount of loan of Baht 1,500 million. During the year 2017, the Company fully repaid such loan from financial institution.

Long-term loans from institutional investors

In October 2011, the Company issued through private placement Baht 500 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 7 years, maturing on 12 October 2018, and pay interest every six-month period.

In October 2011, the Company issued through private placement Baht 300 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 10 years, maturing on 12 October 2021, and pay interest every six-month period.

In November 2014, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing in 7 November 2019, and pay interest every six-month period.

In June 2015, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 6 years, 7 month and 10 days, maturing on 12 January 2022, and pay interest on maturing date.

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

In August 2015, the Company issued through private placement Baht 1,400 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 3 years, maturing on 6 August 2018, and pay interest twice a year.

In August 2015, the Company issued through private placement Baht 1,400 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing on 6 August 2020, and pay interest twice a year.

In August 2015, the Company issued through private placement Baht 800 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 7 years, maturing on 6 August 2022, and pay interest twice a year.

In December 2015, the Company issued through private placement Baht 800 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 5 years, maturing on 16 December 2020, and pay interest twice a year.

In December 2015, the Company issued through private placement Baht 800 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 6 years, maturing on 16 December 2021, and pay interest twice a year.

In December 2015, the Company issued through private placement Baht 600 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures have term to maturity of 7 years, maturing on 16 December 2022, and pay interest twice a year.

In December 2011, the Company issued through private placement Baht 1,000 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures had term to maturity of 5 years and 1 month, maturing on 23 January 2017 and paid interest every six-month period.

In June 2012, the Company issued, through a private placement, Baht 1,500 million worth of Thai Baht denominated, principal instalment, name registered, non-subordinated and unsecured debentures without debentureholders' representative. The debentures had term to maturity of 5 years, starting the first instalment in June 2014, maturing in June 2017, and paid interest and principal every six-month period as prescribed in the agreement.

In February 2014, the Company issued through private placement Baht 1,500 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures had term to maturity of 3 years, maturing in February 2017, and paid interest every six-month period.

In April 2014, the Company issued through private placement Baht 500 million worth of Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debentureholders' representative. The debentures had term to maturity of 3 years, maturing in April 2017, and paid interest every six-month period.

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

Effective interest rates and reprising / maturing analysis

		Loans from-at floating interest rate	Consolidated Loans from-at fix in which	Consolidated financial statements Loans from-at fixed interest rate and the periods in which those liabilities mature	ents and the periods nature		
	Effective interest rate		Within 1 year	After 1 year but within 5 years	After 5 years	Total carrying value	Fair value
	(%)			(in thousand Baht)	'aht)		
Loans from financial institutions and institutional investors	3.17	40,477	2,233,600	7,255,200		9,529,277	9,790,563
2016 Loans from financial institutions and institutional investors	3.14	4,946,060	3,441,560	7,116,667	2,400,000	17,904,287	18,221,648
		Loans from-at floating interest rate	Separate fin Loans from-at fin in which	Separate financial statements Loans from-at fixed interest rate and the periods in which those liabilities mature	nts nd the periods nature		
	Effective interest rate		Within 1 year	After 1 year but within 5 years	After 5 years	Total carrying value	Fair value
	(%)			(in thousand Baht)	3aht)		
Loans from financial institutions and institutional investors	3.17	ı	2,233,600	7,255,200		9,488,800	9,750,017
2016 Loans from financial institutions and institutional investors	3.14	4,838,930	3,441,560	7,116,670	2,400,000	17,797,160	18,133,386

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

20 Trade accounts payables

		Consolida financial stat		Separa financial sta	
	Note	2017	2016	2017	2016
			(in thousand	Baht)	
Related parties	4	49,616	34,384	61,567	40,390
Other parties		1,056,260	790,848	533,265	412,346
Total	_	1,105,876	825,232	594,832	452,736

21 Other current payables

	Consoli	dated	Separ	ate
	financial st	atements	financial st	atements
	2017	2016	2017	2016
		(in thousand	l Baht)	
Other accounts payable	973,925	1,976,329	383,338	325,453
Retention payable	2,049,228	1,949,680	1,054,919	1,107,141
Accrued operating expenses	1,464,688	1,055,836	748,815	649,725
Unearned service income	194,426	156,339	115,643	70,333
Accrued interest expense	155,012	141,979	155,011	141,979
Advance received from				
real estate customers	358,168	142,504	-	-
Others	122,025	125,632	83,220	72,730
Total	5,317,472	5,548,299	2,540,946	2,367,361

22 Non-current provisions for employee benefits

	Consol financial s		Sepa financial s	
	2017	2016	2017	2016
		(in thous	and Baht)	
Statement of financial position				
Provisions for:				
Post-employment benefits				
- Defined benefit plan	358,622	312,079	308,000	266,554
Less current	(13,128)	(3,764)	(11,745)	(3,060)
Non-current provisions	345,494	308,315	296,255	263,494
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits				
Defined benefit plan	47,081	43,034	41,446	35,821
Recognised in other comprehensive				
income:				
Actuarial losses recognised in the year	-	-	-	-

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.

Movement in the present value of the defined benefit obligations.

		lidated statements	Sepa financial s	
Not		2016	2017	2016
		(in thousa	and Baht)	
At 1 January	312,079	274,544	266,554	234,731
Include in profit or loss: 29				
Current service cost	36,962	34,275	32,360	28,426
Interest on obligation	10,119	8,759	9,086	7,395
Other				
Benefit paid	(538)	(5,499)		(3,998)
At 31 December	358,622	312,079	308,000	266,554

Actuarial assumptions

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

	Consol	idated	Sepa	rate
	financial s	tatements	financial s	tatements
	2017	2016	2017	2016
		(%	6)	
Discount rate	3.3	3.3	3.3	3.3
Future salary growth	8.0	8.0	8.0	8.0

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

At 31 December 2017 and 2016, the weighted-average duration of the defined benefit obligation was 20 years.

Notes to the financial statements

For the year ended 31 December 2017

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.

	Conso	lidated	Sepa	ırate
	financial s	statements	financial s	statements
	Increase	Decrease	Increase	Decrease
		(in thouse	and Baht)	
At 31 December 2017				
Discount rate (1% movement)	(41,823)	50,179	(33,910)	40,437
Future salary growth (1% movement)	47,904	(40,946)	38,624	(33,208)
At 31 December 2016				
Discount rate (1% movement)	(36,538)	43,829	(29,811)	35,548
Future salary growth (1% movement)	41,842	(35,772)	33,954	(29,193)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

23 Share capital

	Par	201	7	201	6
	Value	Number	Baht	Number	Baht
	(in Baht)	(1	thousand share /	thousand Baht)	
Authorised					
At 1 January					
 ordinary shares 	0.5	4,488,000	2,244,000	4,488,000	2,244,000
At 31 December					
- ordinary shares	0.5	4,488,000	2,244,000	4,488,000	2,244,000
Issued and paid-up At 1 January					
- ordinary shares	0.5	4,488,000	2,244,000	4,488,000	2,244,000
At 31 December					
- ordinary shares	0.5	4,488,000	2,244,000	4,488,000	2,244,000

Share premium

Section 51 of the Public Companies Act B.E. 1992 requires companies to set aside share subscription monies received in excess of the par value of the shares issued as a reserve account ("share premium"). Share premium is not available for dividend distribution.

Central Pattana Public Company Limited and its Subsidiaries Notes to the financial statements

For the year ended 31 December 2017

24 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 1992 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

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

Fair value changes in available-for-sale investments

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

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

Surplus from business combination involving entities under common control

Surplus from business combination involving entities under common control represents the excess of the book value of business under common control over cost as of the acquisition date and have been recorded as a surplus. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

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

25 Segment information

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services. The chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1 Development of shopping centre buildings, office building and condominiums for rent including provision of utility services, operator of play land and water theme park in the shopping centre buildings

Sales of food and beverage in the shopping centres

Segment 3 Hotel business

Segment 4 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.

NOTES TO THE NANCIAL STATEMENTS

Information about reportable segments

	Segment 1	ent 1	Segm	Segment 2	Segm	Segment 3	Segment 4	ent 4	Total	tal
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
					(in thous	(in thousand Baht)				
External revenue	26,057,214	25,246,527	1,630,597	1,389,465	1,097,195	807,708	1	1	28,785,006	27,633,700
Inter-segment revenue	74,632	43,056	893	165	2,591	1,979		•	78,116	45,200
Total segment revenue	26,131,846	25,289,583	1,631,490	1,389,630	1,099,786	789,687	,	'	28,863,122	27,678,900
Segment profit (loss) before income tax 12,698,543	12,698,543	11,896,464	275,886	244,168	555,192	491,422	(6,708)	(5,353)	13,522,913	12,626,701
Interest income	22,197	26,334	•		884	517	1	15	23,082	26,866
Finance costs	363,326	632,965	ı	1	529	494	4	1	363,859	633,460
Depreciation and amortisation	5,058,185	4,874,759	49,379	39,819	200,254	202,716	6,705	5,367	5,314,523	5,122,661
Share of profit of investments in associates and joint ventures	838,709	852,919	ı		ı	ı		1	838,709	852,919
Capital expenditure	14,450,055	6,449,105	55,385	93,563	47,898	46,090	20,544	13,741	14,573,882	6,602,499
Reportable segment assets as at 31 December	96,214,468	87,325,163	215,647	229,385	1,401,620	1,580,359	3,629,513	438,069	101,461,248	89,572,976
as at 31 December	31,116,704	18,328,555	18,917	4,069	334,321	177,272	608,610	240,520	32,078,552	18,750,416

Notes to the financial statements

For the year ended 31 December 2017

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2017		2016	
		(in thousand Baht)		
Revenues				
Total revenue from reportable segments		28,863,122	27,678,900	
Other revenue		5,832,278	1,627,216	
Elimination of interpretation		34,695,400	29,306,116	
Elimination of inter-segment revenue		(78,116)	(45,200)	
Consolidated revenue		34,617,284	29,260,916	
Profit				
Total profit for reportable segments		13,522,913	12,626,701	
Town promotor reportment segments			12,020,701	
Elimination of inter-segment profits		(88,242)	(144,690)	
Unallocated amounts:		, , ,		
- Other revenue		5,809,196	1,600,350	
- Other expenses		(4,618,540)	(3,901,916)	
- Share of profit of associates and joint v	venture	838,709	852,919	
Consolidated profit before income tax		15,464,036	11,033,364	
Assets		101 461 040	00.550.056	
Total assets for reportable segments		101,461,248	89,572,976	
Other unallocated amounts		0.427.002	6.040.415	
- Investment		9,437,083	6,940,415	
Deferred tax assetsOther assets		1,422,943	1,215,934	
Consolidated total assets		8,252,316 120,573,590	6,798,023 104,527,348	
Consolidated total assets		120,373,390	104,327,340	
Liabilities				
Total liabilities for reportable segments		32,078,552	18,750,416	
Other unallocated amounts		22,070,002	10,700,110	
- Loans		9,543,506	17,904,288	
- Deferred tax liabilities		-	35,151	
- Other liabilities		15,071,746	14,832,692	
Consolidated total liabilities		56,693,804	51,522,547	
	Reportable		Consolidated	
	segment totals	Adjustments	totals	
041		(in thousand Baht)		
Other material items 2017				
Interest revenue	23,082	_	23,082	
Revenue from insurance compensation	3,500,000	-	3,500,000	
Finance costs	363,859	_	363,859	
Depreciation and amortisation	5,314,523	-	5,314,523	
Capital expenditure	14,573,882	-	14,573,882	
1 1	,- · - ,- · -		, · - ,	

	Reportable segment totals	Adjustments (in thousand Baht)	Consolidated totals
2016			
Interest revenue	26,866	-	26,866
Finance costs	633,460	-	633,460
Depreciation and amortisation	5,122,661	-	5,122,661
Capital expenditure	6,602,499	-	6,602,499

Geographical information

The Group is mostly managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customers

Revenue from Central Department Store Group of the Group's 1 and 2 segments represents approximately Baht 2,090 million (2016: Baht 1,669 million) of the Group's total revenues.

26 Investment income

		Consolidated		Separate		
		financial sta	atements	financial statements		
	Note	2017	2016	2017	2016	
			(in thousar	nd Baht)		
Dividend income						
Subsidiaries and funds	4	-	-	5,895,663	3,712,902	
Associates	4	-	-	776,662	742,368	
Other parties		130	130	130	130	
	_	130	130	6,672,455	4,455,400	
Interest income						
Subsidiaries and funds	4	-	-	459,277	462,055	
Associates and					ŕ	
other related parties	4	3,485	6,711	3,485	6,711	
Other parties		19,597	20,155	12,552	16,030	
-	-	23,082	26,866	475,314	484,796	
Total	_	23,212	26,996	7,147,769	4,940,196	

27 Other income

		Consolidated		Separate	
		financial sta	atements	financial sta	atements
	Note	2017	2016	2017	2016
			(in thousar	nd Baht)	
Expenses charged					
by tenants		928,690	761,166	440,673	308,786
Management income	4	491,780	490,756	791,184	769,020
Contribution income		219,369	94,838	204,010	84,900
Others		669,227	253,459	607,312	416,214
Total		2,309,066	1,600,219	2,043,179	1,578,920

Central Pattana Public Company Limited and its Subsidiaries Notes to the financial statements

For the year ended 31 December 2017

28 Administrative expenses

	Consoli	dated	Separate financial statements	
	financial st	atements		
	2017	2016	2017	2016
		(in thousa	nd Baht)	
Employee benefit expenses	2,421,100	2,071,364	2,070,660	1,757,731
Marketing expenses	1,107,873	936,343	730,517	678,397
Depreciation	491,399	504,497	195,408	175,973
Administrative expenses	346,013	267,483	207,663	186,100
Utility expense	184,987	153,536	91,019	79,139
Repair and maintenance	119,056	105,758	74,191	66,131
Others	439,511	367,432	296,418	226,719
Total	5,109,939	4,406,413	3,665,876	3,170,190

29 Employee benefit expenses

		Consoli	dated	Separate		
		financial st	atements	financial statements		
	Note	2017	2016	2017	2016	
			(in thousa	nd Baht)		
Salaries, wages and bonus		2,813,091	2,453,617	2,216,329	1,903,913	
Defined benefit plans	22	47,081	43,034	41,446	35,821	
Defined contribution plans		52,484	44,297	43,265	36,782	
Other welfare		299,330	259,707	160,154	135,936	
Total	_	3,211,986	2,800,655	2,461,194	2,112,452	

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.

30 Expenses by nature

		Consolidated		Separate	
		financial s	tatements	financial statements	
	Note	2017	2016	2017	2016
			(in thouse	and Baht)	
Depreciation and					
amortisation	13,14,15,16	5,314,523	5,122,661	2,716,141	2,493,173
Utility expenses		3,655,956	3,733,119	2,287,962	2,328,395
Employee benefit					
expenses	29	3,211,986	2,800,655	2,461,194	2,112,452
Rental expenses		1,805,051	1,719,258	1,337,431	1,294,908
Marketing expenses	28	1,107,873	936,343	730,517	678,397
Repair and maintenan	ice	765,630	709,527	387,422	360,937
Consulting and other	fees	451,103	323,850	273,893	209,208
Finance costs	31	363,859	633,460	1,049,098	1,251,274
Others		3,315,976	3,101,599	1,541,276	1,359,527
Total		19,991,957	19,080,472	12,784,934	12,088,271

31 Finance costs

		Consol financial s			rate statements
	Note	2017	2016	2017	2016
			(in thousa	nd Baht)	
Interest expense:					
- related parties	4	14	16	601,337	596,186
- financial institutions and					
institutional investors		484,065	657,173	479,612	665,851
Fee for financial institutions and					
institutional investors		17,760	16,825	16,964	16,113
Total finance costs	•	501,839	674,014	1,097,913	1,278,150
Less amounts included in the cost	•				
of assets:					
- Real estate projects					
under development	9	(20,095)	(1,192)	-	-
- Investment properties, property					
plant and equipment and					
leasehold rights		(117,885)	(39,362)	(48,815)	(26,876)
	•	(137,980)	(40,554)	(48,815)	(26,876)
Net	•	363,859	633,460	1,049,098	1,251,274

Finance costs for the year 2017 and 2016 were capitalised as costs of properties under development at rates ranging from 2%-5% per annum, representing the weighted average interest rates of general purposes borrowings.

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

32 Income tax

Income tax recognized in profit or loss

		Consol	idated	Sepai	ıte	
		financial s	tatements	financial st	atements	
	Note	2017	2016	2017	2016	
			(in thousar	ıd Baht)		
Current tax expense Current year		2,036,685	2,154,484	839,325	897,271	
Deferred tax expense Movements in temporary differences	17	(242,159)	(468,148)	(130,477)	(262,444)	
Total	1/	1,794,526	1,686,336	708,848	634,827	

Reconciliation of effective tax rate

	Consolidated financial statements			ents
		2017		2016
	Tax rate	(in thousand	Tax rate	(in thousand
	(%)	Baht)	(%)	Baht)
Profit before income tax expense		15,464,036		11,033,364
Income tax using the tax rate	20	3,092,807	20	2,206,673
Income not subject to tax		(1,202,652)		(513,885)
Additional deductible expenses for				
tax purposes		(136,192)		(54,558)
Expenses not deductible for tax purposes		11,460		17,019
Elimination in consolidated financial				
statement from income not subject				
to tax		29,103		31,087

1,794,526

15

1,686,336

12

	Separate financial statements			
		2017		2016
	Tax rate	(in thousand	Tax rate	(in thousand
	(%)	Baht)	(%)	Baht)
Profit before total income tax expense		10,646,322		7,835,302
Income tax using the tax rate	20	2,129,264	20	1,567,060
Income not subject to tax		(1,353,103)		(897,375)
Additional deductible expenses for				
tax purposes		(69,554)		(36,758)
Expenses not deductible for tax purpose	S	2,241		1,900
Total	7	708,848	8	634,827

Income tax reduction

Total

Royal Decree No. 42 B.E. 2559 dated 3 March 2016 grants the reduction to 20% of net taxable profit for the accounting period 2016 which begins on or after 1 January 2016.

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

33 Basic earnings per share

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

	Consolidated financial statements		Separate financial statements		
	2017	2016	2017	2016	
	(in thousand Baht/thousand shares)				
Profit attributable to ordinary					
shareholders of the Company (basic)	13,567,645	9,243,797	9,937,475	7,200,475	
Number of ordinary shares outstanding	4,488,000	4,488,000	4,488,000	4,488,000	
Basic earnings per share (in Baht)	3.02	2.06	2.21	1.60	

34 Dividends

At the Company's annual general meeting of the shareholders of the Company held on 24 April 2017, the shareholders approved the distribution of dividend from 2016 operating result in the amount of Baht 0.83 per share, totalling Baht 3,725.0 million, and was paid to the shareholders in May 2017.

At the Company's annual general meeting of the shareholders of the Company held on 21 April 2016, the shareholders approved the distribution of dividend from 2015 operating result in the amount of Baht 0.70 per share, totalling Baht 3,141.5 million, and was paid to the shareholders in May 2016.

35 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties.

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.

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

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 is mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its borrowings is 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 4 Related parties

Note 19 Interest-bearing liabilities

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group will consider to utilise forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		
	Note	2017	2016	
		(in thousan	d Baht)	
Hong Kong Dollars				
Cash and cash equivalents	5	2,862	3,553	
Other current receivable	8	6	51	
Other current payable	21	(364)	(383)	
Gross balance sheet exposure	_	2,504	3,221	
Ringgit Malaysia				
Cash and cash equivalents	5	38,787	2,299	
Other current receivables	8	130,113	19,874	
Other non-current assets	18	856	609	
Trade accounts payable	20	(365)	-	
Contractor payable		(1,874)	-	
Other current payables	21	(882,030)	(260)	
Gross balance sheet exposure		(714,513)	22,522	
Currency forwards		-	382,369	
Net exposure	_	(712,009)	408,112	

Credit risks

The current policies established by the Group to manage credit risk are:

- To collect an advance received as deposit for rental which is generally equivalent to 1 6 times of monthly rental income from customers.
- To terminate rental contracts for tenants whose rental fees are outstanding over 90 days.

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

Liquidity risks

The liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The objective of liquidity risk management of the Group is to have appropriate and sufficient capital for cash outflow for investment at present and in the future and to be able to invest such capital to gain appropriate returns under investment policies of the Group.

Carrying amount and fair values

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

		Consolid	ated financial sta	atements	
	Carrying amount		Fair v	ralue	
		Level 1	Level 2	Level 3	Total
24.5		(i	n thousand Baht)		
31 December 2017					
Financial assets and					
financial liabilities measured at fair value					
Equity securities available					
for sale	4,040	4,040	-	-	4,040
Investments in marketable unit trusts classified as available-for-sale					
investments	3,063,447	-	3,063,447	-	3,063,447
Financial assets and financial liabilities not measured at fair value Current portion of loans					
from financial institutions and institutional investors Loans from financial institutions and	(2,274,077)	-	-	-	(2,290,598)
institutional investors	(7,255,200)	-	-	-	(7,499,966)

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

	G :	Consolid	ated financial st	atements	
	Carrying amount		Fair v	alue	
		Level 1	Level 2 in thousand Baht)	Level 3	Total
31 December 2016 Financial assets and financial liabilities measured at fair value Equity securities available		,	,		
for sale Investments in marketable unit trusts classified as available-for-sale	3,190	3,190	-	-	3,190
investments Derivatives	711,640 (3,210)	-	711,640 -	(3,210)	711,640 (3,210)
Financial assets and financial liabilities not measured at fair value Current portion of loans from financial institutions and institutional investors Loans from financial	(4,707,620)	_	-	-	(4,730,709)
institutions and institutional investors	(13,196,667)	-	-	-	(13,490,939)
		Separa	te financial state	ements	
	Carrying amount		Fair v	value	
		Level 1	Level 2	Level 3	Total
31 December 2017 Financial assets and financial liabilities measured at fair value Equity securities available		(1	in thousand Baht)		
for sale Investments in marketable unit trusts classified as available-for-sale investments	4,040 2,939,076	4,040	2,939,076	-	4,040 2,939,076
Financial assets and financial liabilities not	2,939,070	-	2,939,070	-	2,939,070
measured at fair value Investment in funds Current portion of loans from financial institutions	5,454,433	-	-	-	14,758,034
and institutional investors Loans from financial institutions and	(2,233,600)	-	-	-	(2,250,052)
institutional investors	(7,255,200)	- 98	-	-	(7,499,966)

	Separate financial statements				
	Carrying amount		Fair v	alue	
		Level 1	Level 2 n thousand Baht)	Level 3	Total
31 December 2016 Financial assets and financial liabilities measured at fair value Equity securities available					
for sale	3,190	3,190	-	-	3,190
Investments in marketable unit trusts classified as available-for-sale investments	561,954	-	561,954	-	561,954
Financial assets and financial liabilities not measured at fair value					
Investment in funds	5,471,953	-	-	-	13,063,475
Current portion of loans from financial institutions and institutional investors Loans from financial institutions and	(4,640,970)	-	-	-	(4,663,353)
institutional investors	(13,156,190)	-	-	-	(13,450,033)

The Group and the Company did not disclose the fair value of financial instruments such as trade accounts receivable, other receivables, loans to related parties, trade accounts payable, other payables, contractor payables, loans from related parties, accounts payable for leasehold rights, deposits received from customers because their book value are close to fair value as these financial instruments have short-term maturity.

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in note 2(d)(ii).

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

Type Derivatives	Valuation technique In cases where there is an active market, the Group uses the market value as the fair value of derivatives.	Significant unobservable inputs Not applicable	Inter-relationship between significant unobservable inputs and fair value measurement Not applicable
Equity securities available for sale	Published price quotation in an active market at reporting date	Not applicable	Not applicable
Investments in marketable unit trusts classified as available-for-sale investments	Net Assets Value as at reporting date	Not applicable	Not applicable

Financial instruments not measured at fair value

Type	Valuation technique
Loans from financial institutions	Discounted cash flows
Loans from institutions investors	Determined based on quoted prices in the debenture market from the Thai Bond Market Association by using the closing price at the end of the reporting period.

36 Others

On 16 December 2011, the Group has made a prosecution against insurance company as a result of the fire incident at Central World shopping centre. The Group has claimed for the indemnity from Industrial All Risks policy at the amount of Baht 2,848.4 million for the Group itself and/or other parties and also claimed from the Business Interruption of Baht 989.8 million for the Group.

On 1 March 2013 the Court of first instance has ruled the judgment in favor of the Group.

In August 2013, the insurance company has filed the appeal objecting against such judgement of Court of first instance to the Appeal Court. Subsequently, the Group had filed the appeal to the Appeal Court in December 2013.

On 9 October 2014, the Appeal Court reversed the judgement of the First Court. As a result, the insurance company did not have to make payment of compensation to the Group.

Subsequently, on 9 March 2015, the Group had filed the appeal objecting against such judgment of the Appeal Court to the Supreme Court.

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

Subsequently, on 24 August 2017, the Supreme Court issued the order not to permit for filing the Supreme court appeal and refused to accept the Group's petition for its consideration. The case is hereby final by the judgment of the Court of Appeal.

In addition, the Group entered into the terrorism insurance with the sum insured of Baht 3,500 million. The Group has already received the compensation pursuant to the terrorism insurance of Baht 3,500 million, which the Group has recorded as revenue from compensation in statement of comprehensive income for the year ended 31 December 2017.

37 Leasing properties

CPN Retail Growth Leasehold Property Fund ("CPNRF")

The Board of Directors' meeting held on 9 August 2013, approved to lease the part property for a period of 30 years and sell the part property of CentralPlaza Chiangmai Airport from the Central Pattana Chiangmai Co., Ltd. to CPNRF as follows:

- Leasing part of land where the shopping centre, the multipurpose hall, the indoor parking space in the building, including the surrounding roads and the entrances and exits (excluding other land under development).
- Leasing part of one shopping centre and one multipurpose hall, including indoor parking spaces (in proportion to the utilized areas of the shopping centre and the multipurpose hall to be leased). Whereby, it excluded spaces to be leased to Robinson Department Store, under long-term lease, and the rental area located in parking spaces.
- Leasing the system relevant to the shopping centre, the multipurpose hall, and the indoor parking spaces of the building.
- Selling the furniture, fixture and equipment.

On 23 April 2014, the Group rented a part of the above mentioned Central Plaza Chiangmai Airport Project to CPNRF, totalling approximately Baht 10,496 million (this amount excluded additional issuance and offering expenses of Baht 128 million, which was the responsibility of the Company). The Group had received the total lease amount in April 2014 and the Company has invested in investment units increasing capital of CPNRF at percentage of 23.53 of total investment units increasing capital of CPNRF or 135,593,664 units at the value of Baht 15 per unit totalling Baht 2,033.90 million. As a result, the Company has investment units in CPNRF totalling 590,521,686 units and the proportion of holding investment had changed from 27.80% before increasing the capital to 26.69% after increasing the capital.

On 29 November 2017, CPNRF transferred its assets, liabilities and obligations to CPNREIT which was the transfer of right and obligations under agreements entered into with other parties of Central Plaza Chiangmai Airport (see Note 12 to the financial statements)

CPN Retail Growth Leasehold REIT (the trust "CPNREIT").

The Board of Directors' meeting held on 31 May 2017, approved to lease part of property of CentalFestival Pattaya Beach to the trust "CPNREIT" from the CPN Pattaya Co., Ltd., which is a subsidiary of the Company, 99.99 percent shareholding, as follows:

Notes to the financial statements

For the year ended 31 December 2017

CentralFestival Pattaya Beach project

- Leasing part building and structures of CentralFestival Pattaya Beach, including part of the shopping centre and the indoor parking area
- Leasing the system relevant to the building and structures of CentralFestival Pattaya Beach.
- Selling the furniture, fixture and equipment.

Hilton Pattaya Hotel

- Leasing part building and structures of Hilton Pattaya Hotel, consisting of all hotel building and part of the indoor parking area.
- Leasing the system relevant to the building and structures of Hilton Pattaya Hotel.
- Selling the furniture, fixture and equipment.

On 1 December 2017, the Group has rented part of the CentralFestival Pattaya Beach Project to the trust "CPNREIT" by receiving rental fee of assets amounting Baht 11,908 million.

38 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
		(in millio	n Baht)	
Capital commitments				
Contracted but not provide for				
Buildings and facility systems	3,940	4,835	1,030	3,141
Total	3,940	4,835	1,030	3,141
Non-cancellable operating lease commitments				
Within one year	834	669	146	125
After one year but within five years	3,535	3,445	648	626
After five years	32,187	24,661	6,426	6,594
Total	36,556	28,775	7,220	7,345
Other commitments				
Bank guarantees	911	811	470	644
Real estate projects under development				
agreements	1,193	1,052	-	-
Total	2,104	1,863	470	644

(a) Forward contracts

As at 31 December 2017, the Group has no forward contracts (2016: U.S. Dollar 7 million equivalent to Baht 250.9 million and Malaysian Ringgit 16.5 million equivalent to Baht 131.5 million, respectively). The repayment terms of the forward contracts were less than one year.

(b) A subsidiary entered into a hotel management agreement with a third party whereby the subsidiary agrees to pay annual management fee at the rate of 2% of the hotel's annual operating income and additional compensation as a percentage of gross operating profit as follows:

- 7% from the start of operations to the second year of operation
- 7.5% from the third to the fourth year of operation
- 8% from the fifth year of operation onwards
- (c) The Group entered into a land lease agreement with a third party for the construction of a shopping centre for lease. The lease agreement was for a period of 30 years ending in December 2041. Under the conditions of the agreement, the Group paid advance rental and has to pay monthly rental. The rental will be increased every three years at the rate of 10% of the latest monthly rental.
- (d) The Group entered into a land lease agreement with the third party for the construction of a shopping centre for lease. The lease agreement was for a period of 30 years ending in May 2027. Under the conditions of the agreement, the Group paid advance rental and has to pay monthly rental. The rental will be increased every five years at the rate of 10% of the latest month rental.
- (e) On 29 June 2007, the Group entered into two land lease agreements with a local company for the construction of a shopping centre for lease. Under the conditions of the lease agreements, the Group had to pay advance rental. The first agreement was land lease agreement with no monthly rental for the period of 3 years, from 1 July 2007 to 30 June 2010. The other agreement is a land lease agreement for the period of 30 years from 1 July 2010 to 30 June 2040. Under the conditions of the second lease agreement, the Group had to pay the land rental charge of Baht 700,000 per month which will be increased at the rate of 15% of the latest month rental, every three years from 1 July 2013. This agreement can be renewed for another 10-year period (till 30 June 2050).
- (f) The Group entered into three lease agreements with other parties for the construction of shopping centre for lease and shophouses. Two land lease agreements were for a period of 30 years ending in August 2025 and in June 2030, respectively. Another agreement is for a lease of shophouses for a period of 26 years ending in July 2021. Under the conditions of the agreements, the Group has to pay advance rental and guarantee deposit for leasehold rights. In addition, the Group has to pay a monthly rental which will be revised every five years. The Group received a refundable guarantee deposit amounting to Baht 20 million in 1997 and will receive the remaining balance of the refundable guarantee deposits amounting to Baht 298.6 million from the 21st year of the lease until the 30th year of the lease. The land lease agreements can be renewed for a further period of not less than 15 years by giving written notification one year in advance prior to expiration of the lease period as mutually agreed rate and compensation. The lessor will obtain the ownership rights of shopping centre buildings and structures thereon at the expiration of the lease agreement. Upon the expiration of the shophouse lease, the lessor will give the Group a priority in renewing the lease agreement.

The Group entered into three land lease agreements with the third parties for the construction of shopping centre for lease. The lease agreements were for a period of 30 years ending in February 2038. Under the conditions of the agreements, the Group had to pay advance rental and annual rental. The rental will be increased every 3 years at the rate of 12%. The lease agreements can be renewed for another 10-year period by entering into the agreements 2 years prior to the expiration of the lease with the mutually agreed rate and compensation.

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

(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 31th year 38th year), after the expiration date of the lease period, the lessee has to give a written notification for the renewing of the agreement. The lessor and the Group have to enter into a renewal agreement or a new lease agreement within 22 December 2029, by paying annual rental under the conditions as stated in the lease agreement.
- The 30-year phase, (39th 68th year inclusive), after the expiration date of the first 8-year term, under the conditions of the lease agreement, the Group has to give a written notification for the renewing of the agreement to the lessor within 22 December 2035, in order to fix a new rate of the rental charge, also to enter into the renewal agreement, or the new lease agreement within 22 December 2037.
- (h) In 2005, the Group entered into a land lease agreement with a local company for the construction of shopping centre and parking building. The lease agreement was for a period of 28 years 10 months ending in September 2034. Under the conditions of the agreement, the Group has to pay a monthly rental from September 2006. The rental will be increased every five years at the rate of 5% of the latest month rental. The lease agreements can be renewed by giving written notification in advance not less than six months prior to expiration of the lease agreement as mutually agreed rate and compensation.

Subsequently, in 2009, the Group entered into a memorandum of understanding to amend for part of land lease agreement under the same period and condition as it may be surrendered to the government for the mass rapid transit.

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 centres for lease. The first land lease agreement was for a period of 2 years commencing 21 June 2012 to 20 June 2014. Under the conditions of the agreement, the Group has to pay annual rental of Baht 1.5 million. The second agreement is a land lease agreement for the period of 30 years from 21 June 2014 to 20 June 2044. Under the conditions of the agreement, the Group has to pay monthly rental which will be increased every three years at the rate of 15%. This agreement can be renewed as mutually agreed conditions by giving written notification in advance not less than three months from the notification date from the lessor.
- (j) The Group entered into a land lease agreement with other parties for the construction of shopping centres for lease. The land lease agreement was for a period of 30 years ending in September 2043. Under the conditions of the agreement, the Group had to pay advance rental and annual rental. The rental will be increased every five years at the rate of 15% of the latest annual rental. The lease can be renewed for another 10-year period by entering into the agreement in advance 2 years prior to expiration of the lease agreement as the mutually agreed rate and compensation.
- (k) On 25 September 2013, the Company entered into the first memorandum of understanding to amend the lease agreement with 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.
- (1) The Company entered into a land lease agreement with other party for construction of a shopping centre for lease. The lease agreement was for a period of 30 years ending in September 2045. Under the conditions of the agreement, the Company had to pay advance rental and annual rental. The rental will be increased every three years at the rate of 15 % of the latest annual rental.

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

- (m) The Company entered into several land lease agreements with other party for construction of a shopping centre for lease. The lease agreements were for a period of 30 years. However, these agreements can be extended for another 10 years and ending in June 2056. Under the condition of the agreement, the Company has to pay annual rental. The rental will be increased every three years at the rate of 10 % of the latest annual rental.
- (n) The Company entered into sublease land agreements, utility system service agreements and shopping centre lease agreement with a local company, for a period of 20 years ending on 30 April 2035. Under the conditions of the agreements, the Company had to pay for leasehold right in the amount of Baht 292.1 million and annual rental throughout the agreement period totalling Baht 1,239.7 million and the monthly service fee throughout the agreement period totalling Baht 62.5 million.
- (o) The Company entered into a land lease agreement with other party for construction of a shopping centre. The lease agreement was for a period of 30 years and ending in June 2046. Under the conditions of the agreement, the Company has to pay annual rental which will be increased every ten years. In 2016, the Company entered into 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.

39 Contingent liabilities

Guarantee

As at 31 December 2017, the Company guaranteed a loan agreement and bank guarantee of subsidiaries totalling Baht 482 million (2016: Baht 274 million).

40 Reclassification of accounts

2016 Consolidated Separate financial statements financial statements Before After Before After reclassification Reclassification Reclassification Reclassification Reclassification Reclassification (in thousand Baht) Statement of financial position 31 December 2016 714,830 (123,661)591,169 Current investments Other long-term 126,892 investments 3,231 123,661 Investment in associates and joint ventures 6,156,104 (6,156,104)7,578,674 (7,578,674)Investment in associates 5,568,957 5,568,957 7,578,674 7,578,674 Investment in joint ventures 587,147 587,147 Employee benefit obligations 312,079 (312,079)266,554 (266,554)Current provisions for employee benefits 3,764 3,764 3,060 3,060 Non-current provisions for employee benefit 308,315 308,315 263,494 263,494

The reclassifications have been made in order to comply with new format of financial statements for public company limited announced by the Department of Business Development of the Ministry of Commerce on 11 October 2016.

41 Events after the reporting period

Capital increase

Vimarn Suriya Co., Ltd.

In January 2018, the extraordinary shareholders meeting of Vimarn Suriya Co., Ltd, an associate, approved a resolution to call for paid up shares capital from Baht 825.0 million to Baht 880.0 million by calling for paid up shares of 10,999,000 shares with a par value of Baht 5 per share, which the Company held by 35%. The Company invested in those increased shares in amount of Baht 19.3 million at the same proportion of shareholding of the Company.

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

CPN Global Co., Ltd.

In January 2018, the extraordinary shareholders meeting of CPN Global Co., Ltd, a subsidiary approved a resolution to increase the registered share capital from Baht 1 million to Baht 2,500 million by issuing the ordinary shares of 24,990,000 shares with par value of Baht 100 per share in order to use for its working capital. The Company invested in the said increased shares amounting to Baht 2,499 million.

Central Plaza i-City Real Estate Sdn. Bhd.

In January 2018, the Board of Directors meetings of Central Plaza i-City Real Estate Sdn. Bhd, approved to additionally issue and call for paid up newly issued shares from Malaysian Ringgit 266.9 million to Malaysian Ringgit 307.8 million (equivalent to Baht 2,540.3 million) by issuing and calling for paid up newly issued shares of 40.9 million ordinary shares with par value of Malaysian Ringgit 1 per share in order to use for its working capital, ownership interest of the Group is 60%. The Group invested in those increased shares in amount of Malaysian Ringgit 24.5 million (equivalent to Baht 200.1 million) at the same proportion of shareholding of the Group.

Dividend

At the Board of Director's meeting of the Company held on 19 February 2018, the Board of Directors passed a resolution to the annual general meeting of the shareholders to approve the appropriation of dividend of Baht 1.4 per share, amounting to Baht 6,283.2 million.

AUDITOR'S REMUNERATION

AUDITOR'S REMUNERATION

In 2017 audit fee out of the Company and its subsidiaries has been paid for audit firm that the auditor work for amounted to 8,177,000 Baht

OTHER SERVICE FEE

The Company has paid consulting service fee totaling 2,787,500 Baht to KPMG Phoomchai Business Advisory Ltd.



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