

SUSTAINABLE FUTURE



ANNUAL REPORT 2018 (FINANCIAL REPORT)



**PROPERTY
DEVELOPMENT
& INVESTMENT**
A Member of Central Group

Central Pattana Public Company Limited

Location	10 th , 30 th – 34 th 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 and supportive businesses, such as office buildings, hotels, residential development and food court. In addition, the Company invests in and is the property manager of CPN Commercial Growth Leasehold Property Fund (CPNCG) and CPN Retail Growth Leasehold REIT (CPNREIT).
Securities Information	Common shares of Central Pattana Plc. were listed and traded on the Stock Exchange of Thailand in 1995 under the abbreviated security name of “CPN”.
Registered Capital	Baht 2,244,000,000
Issued and Paid-up Capital	Baht 2,244,000,000 comprising ordinary shares of 4,488,000,000 shares Par value of Baht 0.5 per share
Contacts	Company Secretary Telephone : + 66 (0) 2667 5555 Ext. 1665, 1684, 1685, 1686 and 1687 Email : co.secretary@cpn.co.th Investor Relations Telephone : + 66 (0) 2667 5555 Ext. 1614, 1632 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 2018

(Financial Report)

CENTRAL PATTANA PUBLIC COMPANY LIMITED

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RESPONSIBILITY OF THE BOARD OF DIRECTORS TO THE FINANCIAL STATEMENTS

The Board of Directors of Central Pattana Public Company Limited (“the Company”) is responsible for the consolidated financial statements of the Company and its subsidiaries as well as financial information as presented in the annual report. The financial statements are prepared in conformity with Thai Financial Reporting Standards (TFRSs) which are appropriately applied on a consistent basis. Conservation judgment and best estimate are adopted in this preparation. In addition, all important information is adequately disclosed in the notes to financial statements.

The Board of Directors has set up and maintained an effective internal control to reasonably ensure that all accounting records are accurate, complete and sufficient to secure its assets. Moreover, all possible weakness could be found to prevent fraud or material unusual transactions.

The Board of Directors has appointed the audit committee which comprises independent directors, to control quality of financial report and internal control system. The opinion of the audit committee on this matter has already been presented in the audit committee report.

The Board of Directors is of an opinion that internal control systems of the Company are in the satisfactory and sufficient level to reasonably build the confidence in the reliability of the consolidated financial statements of the Company and its subsidiaries as of December 31, 2018.



Mr. Suthichai Chirathivat
Chairman



Mr. Preecha Ekkunagul
Director
President & CEO

**Central Pattana Public Company Limited
and its Subsidiaries**

Financial Statements for the Year Ended 31 December 2018
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 2018, 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 2018 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.

Business acquisition	
Refer to Notes 2, 3 (a) and 4 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in the audit
On 12 September 2018, the Group has acquired the business of Grand Canal Land and its subsidiaries of Baht 10,163 million. Management of the Company had evaluated the fair value of assets acquired and liabilities assumed from business acquisition. The fair value of assets acquired were evaluated by market comparison and income approach discounted cash flows. Such business acquisition had significant amounts and involved with judgement. I considered as the key audit matter.	<p>Audit procedures included:</p> <ul style="list-style-type: none"> - read the sale and purchase agreement and analysis memorandum of business combination prepared by the Group to understand key terms and conditions; - evaluated the assessment of the identification of assets acquired and liabilities assumed and fair value of valuation methods of the business acquired that prepared by management of the Company; - evaluated the significant assumptions that management used in market comparison and discounted cash flows; - considered the adequacy of the disclosure in accordance with the related Thai Financial Reporting Standards.

Revenue recognition	
Refer to Note 3 (q) to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
Revenue from rental and service are significant amounts in the financial statements. Those revenues are based on a large number of tenancy agreements and service agreements, each with variety of contractual terms and conditions including rental and service discounts given to tenants. Consequently, the accuracy and completeness of revenue recognition relating to tenancy agreements and service agreements are areas of focus for my audit.	<p>Audit procedures included:</p> <ul style="list-style-type: none"> - understanding the revenue recognition process by inquiring these activities with the relevant management and reading a sample of tenancy agreements and service agreements to understand the key contractual terms and conditions to assist in identifying the risks of inappropriate income recognition pertaining to the various revenue streams; - testing of internal control over the revenue process including key manual controls, including but not limited to, the controls on the approval of lease contracts and changes to lease terms and the input of this information to the accounting system, controls on the invoice billings and collection processes, controls on the approval of rental discount granted and credit note issued; - testing of systems-based controls over the revenue process with assistance of KPMG IT specialists including testing of controls over system configuration of rental pricing data and billing process and the linkage to usage data that drives revenue recognition;

Revenue recognition	
Refer to Note 3 (q) to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
	<ul style="list-style-type: none"> - 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.

Emphasis of Matter

I draw attention to notes 4 to the consolidated financial statements. The Group is under the fair value valuations of assets acquired and liabilities assumed from the business acquisition by independent appraiser. Therefore, fair value of business acquired and the allocation of purchase price have been provisionally determined and are subject to potential amendment depending on the finalisation of the appraisal value by independent appraiser. My opinion is not modified in respect of this matter.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Vannaporn Jongperadechanon)
Certified Public Accountant
Registration No. 4098

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2019

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

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
Assets	Note	2018	2017	2018	2017
		(in Baht)			
Current assets					
Cash and cash equivalents	6	3,021,030,701	2,418,138,796	2,011,203,777	1,505,217,748
Current investments	7	45,520,769	2,943,116,488	45,520,769	2,943,116,488
Trade accounts receivable	5, 8	1,278,625,107	1,308,097,843	837,338,645	878,840,469
Other receivables	5, 9	3,168,772,085	2,838,749,752	1,517,268,346	2,845,197,533
Real estate projects under development	10, 20	7,787,315,457	3,606,162,607	-	-
Short-term loans to related parties	5	-	-	26,016,862	1,281,303,012
Total current assets		15,301,264,119	13,114,265,486	4,437,348,399	9,453,675,250
Non-current assets					
Restricted bank deposits	20	11,222,888	-	-	-
Investments in subsidiaries and funds	11	-	-	27,620,971,880	24,901,031,928
Investment in associates	13	7,045,707,212	5,920,082,060	7,886,680,686	7,867,432,436
Investment in joint ventures	13	2,853,474,276	380,079,010	232,499,900	232,499,900
Long-term investments related parties	7	1,908,857,872	66,250,000	1,842,607,872	-
Other long-term investments	7	172,924,286	127,555,078	3,138,420	3,184,560
Long-term loans to related parties	5	4,518,469,601	134,319,205	16,220,408,363	16,087,529,371
Investment properties	14, 20	108,412,457,321	84,972,214,794	41,029,978,438	41,907,656,364
Property, plant and equipment	15, 20	1,646,079,488	1,675,813,726	392,174,330	363,327,709
Goodwill	4	1,036,491,639	-	-	-
Leasehold rights	16, 20	14,085,954,198	11,207,056,686	5,772,809,100	6,101,449,536
Right for usage of assets	17	414,568,118	451,942,388	313,353,879	346,867,844
Deferred tax assets	18	1,899,878,950	1,422,943,436	847,923,688	670,861,951
Other non-current assets	5, 19	2,400,476,442	1,101,068,594	193,259,505	229,620,605
Total non-current assets		146,406,562,291	107,459,324,977	102,355,806,061	98,711,462,204
Total assets		161,707,826,410	120,573,590,463	106,793,154,460	108,165,137,454

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

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

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
Liabilities and equity	Note	2018	2017	2018	2017
		(in Baht)			
Current liabilities					
Short-term loans from financial institutions	20	7,948,005,411	-	3,700,000,000	-
Trade accounts payable	5, 21	2,123,681,493	1,105,875,706	819,274,548	594,832,433
Other payables	5, 22	6,180,048,570	5,317,472,349	2,643,149,705	2,540,945,555
Short-term loans from related parties	5, 20	90,089,296	-	9,694,518,039	8,759,460,386
Short-term loans from other parties	20	-	14,229,014	-	-
Current portion of account payable for leasehold right	5	-	33,333,333	-	33,333,333
Current portion of long-term loans	20	2,927,965,861	2,274,077,220	2,405,097,143	2,233,600,000
Current portion of advance received from rental and service income	5	1,720,153,388	1,387,287,909	153,923,137	114,720,349
Income tax payable		662,266,277	455,838,437	111,556,219	98,501,198
Contractor payables		2,930,778,023	3,752,736,726	1,095,938,949	1,823,927,428
Current portion of employee benefit obligations	23	30,365,820	13,128,350	24,951,614	11,744,867
Total current liabilities		24,613,354,139	14,353,979,044	20,648,409,354	16,211,065,549
Non-current liabilities					
Long-term loans from related parties	5, 20	-	-	12,548,928,693	25,058,486,213
Other long-term loans	20	19,522,147,447	7,255,200,000	12,350,102,857	7,255,200,000
Accounts payable for leasehold right	5	418,017,667	418,017,667	418,017,667	418,017,667
Deferred tax liabilities	18	2,035,483,307	-	-	-
Advance received from rental and service income	5, 37	32,310,327,223	26,938,527,778	2,575,968,498	2,347,130,677
Deposits received from customers	5	7,692,519,955	6,858,851,553	3,602,225,127	3,320,727,205
Employee benefit obligations	23	430,963,702	345,494,336	339,329,775	296,255,374
Provision for decommissioning and restoration		275,479,220	264,368,003	275,479,219	264,368,003
Guarantees received for leasehold rights	5	233,796,711	259,365,296	233,088,889	239,876,794
Total non-current liabilities		62,918,735,232	42,339,824,633	32,343,140,725	39,200,061,933
Total liabilities		87,532,089,371	56,693,803,677	52,991,550,079	55,411,127,482

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

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

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
Liabilities and equity	Note	2018	2017	2018	2017
<i>(in Baht)</i>					
Equity					
Share capital	24				
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	24	8,558,557,850	8,558,557,850	8,558,557,850	8,558,557,850
Retained earnings					
Appropriated to legal reserve	25	224,400,000	224,400,000	224,400,000	224,400,000
Unappropriated		55,007,135,395	50,890,234,034	42,987,177,514	41,720,969,366
Other components of equity	25	(308,073,729)	(116,168,918)	(212,530,983)	6,082,756
Equity attributable to owners of the Company		65,726,019,516	61,801,022,966	53,801,604,381	52,754,009,972
Non-controlling interests	12	8,449,717,523	2,078,763,820	-	-
Total equity		74,175,737,039	63,879,786,786	53,801,604,381	52,754,009,972
Total liabilities and equity		161,707,826,410	120,573,590,463	106,793,154,460	108,165,137,454

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

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

		Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in Baht)</i>			
Income					
Revenue from rent and services	5, 26	28,068,405,459	26,057,214,156	14,835,883,058	13,707,244,343
Revenue from food and beverage	5, 26	1,849,088,363	1,630,596,993	666,541,609	533,063,828
Revenue from hotel operation	26	1,207,833,474	1,097,195,048	-	-
Revenue from sale of real estate	26	2,761,736,087	-	-	-
Investment income	5, 27	115,143,290	23,211,972	5,065,987,189	7,147,769,230
Revenue from insurance compensation	40	-	3,500,000,000	-	-
Other income	5, 28	2,570,528,767	2,309,066,459	2,122,117,161	2,043,179,227
Total income		36,572,735,440	34,617,284,628	22,690,529,017	23,431,256,628
Expenses					
Cost of rent and services	5	14,143,042,184	12,894,153,904	8,360,132,764	7,651,402,447
Cost of food and beverage	5	1,448,220,343	1,280,463,427	518,935,765	418,557,333
Cost of hotel operation		423,005,969	343,542,403	-	-
Cost of sale of real estate		1,564,737,158	-	-	-
Administrative expenses	5, 29	6,114,292,602	5,109,938,621	4,218,161,364	3,665,876,379
Finance costs	5, 32	426,332,773	363,859,110	1,184,608,506	1,049,098,043
Total expenses		24,119,631,029	19,991,957,465	14,281,838,399	12,784,934,202
Share of profit (loss)					
Associates	13	1,089,896,163	839,029,427	-	-
Joint ventures	13	(102,745,044)	(320,882)	-	-
Profit before income tax expense		13,440,255,530	15,464,035,708	8,408,690,618	10,646,322,426
Income tax expense	33	(2,056,902,384)	(1,794,526,413)	(845,514,108)	(708,847,687)
Profit for the year		11,383,353,146	13,669,509,295	7,563,176,510	9,937,474,739

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	<i>Note</i>	2018	2017	2018	2017
		(in Baht)			
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		28,946,025	(77,655,190)	-	-
Gains (loss) on remeasuring available-for-sale investments		(220,850,836)	3,429,482	(218,613,739)	3,228,799
Total items that will be reclassified subsequently to profit or loss		(191,904,811)	(74,225,708)	(218,613,739)	3,228,799
<i>Items that will not be reclassified to profit or loss</i>					
Losses on remeasurements of defined benefit plans	33	(26,483,672)	-	(13,880,572)	-
Other comprehensive income (expense) for the year, net of tax		(218,388,483)	(74,225,708)	(232,494,311)	3,228,799
Total comprehensive income for the year		11,164,964,663	13,595,283,587	7,330,682,199	9,940,703,538
Profit attributable to:					
Owners of the Company		11,215,652,867	13,567,644,892	7,563,176,510	9,937,474,739
Non-controlling interests	12	167,700,279	101,864,403	-	-
Profit for the year		11,383,353,146	13,669,509,295	7,563,176,510	9,937,474,739
Total comprehensive income attributable to:					
Owners of the Company		10,997,264,384	13,493,419,184	7,330,682,199	9,940,703,538
Non-controlling interests	12	167,700,279	101,864,403	-	-
Total comprehensive income for the year		11,164,964,663	13,595,283,587	7,330,682,199	9,940,703,538
Basic earnings per share (in Baht)	34	2.50	3.02	1.69	2.21

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

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

Note	Consolidated financial statements											Total equity
	Retained earnings				Other components of shareholders' equity				Equity attributable to owners of parent	Non-controlling interests		
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Available-for-sale investments (in Baht)	Surplus on business combination of entities under common control	Total other components of shareholders' equity				
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												
<i>Distributions to owners of the Company</i>												
Dividends to owners of the Company	-	-	-	(3,725,004,559)	-	-	-	-	(3,725,004,559)	-	(3,725,004,559)	
<i>Total distributions to owners of the Company</i>	-	-	-	(3,725,004,559)	-	-	-	-	(3,725,004,559)	-	(3,725,004,559)	
<i>Changes in ownership interests in subsidiary</i>												
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	498,330,896	498,330,896	
Acquisition of non-controlling interests with a change in control	-	-	-	(4,438,790)	-	-	-	-	(4,438,790)	510,814,086	506,375,296	
<i>Total changes in ownership interests in subsidiary</i>	-	-	-	(4,438,790)	-	-	-	-	(4,438,790)	1,009,144,982	1,004,706,192	
Total transactions with owners, recorded directly in equity	-	-	-	(3,729,443,349)	-	-	-	-	(3,729,443,349)	1,009,144,982	(2,720,298,367)	
Comprehensive income for the year												
Profit	-	-	-	13,567,644,892	-	-	-	-	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)	
<i>Total comprehensive income for the year</i>	-	-	-	13,567,644,892	(77,655,190)	3,429,482	-	(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.

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

	Note	Consolidated financial statements								Non-controlling interests	Total equity
		Other components of shareholders' equity					Equity attributable to owners of parent				
		Retained earnings	Other comprehensive income	Surplus on business combination	Total other components of shareholders' equity						
		Issued and paid-up share capital	Legal reserve	Unappropriated	Currency translation differences	Available-for-sale investments (in Bsh)	of entities under common control				
Year ended 31 December 2018											
Balance at 1 January 2018		2,244,000,000	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
Transactions with owners, recorded directly in equity											
Distributions to owners of the Company											
Issued of ordinary shares		-	-	-	-	-	-	-	-	497,153,491	497,153,491
Dividends to owners of the Company	35	-	-	(6,283,087,790)	-	-	-	-	(6,283,087,790)	-	(6,283,087,790)
Total distributions to owners of the Company		-	-	(6,283,087,790)	-	-	-	-	(6,283,087,790)	497,153,491	(5,785,934,299)
Changes in ownership interests in subsidiary											
Acquisition of non-controlling interests without a change in control	4, 11	-	-	(789,180,044)	-	-	-	-	(789,180,044)	(3,264,743,059)	(4,053,923,103)
Acquisition of non-controlling interests with a change in control	4	-	-	-	-	-	-	-	-	8,970,842,992	8,970,842,992
Total changes in ownership interests in subsidiary		-	-	(789,180,044)	-	-	-	-	(789,180,044)	5,706,099,933	4,916,919,889
Total transactions with owners, recorded directly in equity		-	-	(7,072,267,834)	-	-	-	-	(7,072,267,834)	6,203,253,424	(869,014,410)
Comprehensive income for the year											
Profit		-	-	11,215,652,867	-	-	-	-	11,215,652,867	167,700,279	11,383,353,146
Other comprehensive income		-	-	(26,483,672)	28,946,025	(220,850,836)	-	(191,904,811)	(218,388,483)	-	(218,388,483)
Total comprehensive income for the year		-	-	11,189,169,195	28,946,025	(220,850,836)	-	(191,904,811)	10,997,264,384	167,700,279	11,164,964,663
Balance at 31 December 2018		2,244,000,000	224,400,000	55,007,135,935	(52,507,608)	(201,194,346)	(54,371,775)	(308,073,729)	65,726,019,516	8,449,717,523	741,757,737,039

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

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

	Note	Separate financial statements				
		Issued and paid share capital	Share premium	Retained earnings		Other component of equity Available-for-sale investments
				Legal reserve	Unappropriated (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						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company	35	-	-	-	(3,725,004,559)	-
Total transactions with owners, recorded directly in equity		-	-	-	(3,725,004,559)	-
(3,725,004,559)						
Comprehensive income for the year						
Profit		-	-	-	9,937,474,739	-
Other comprehensive income		-	-	-	-	3,228,799
Total comprehensive income for the year		-	-	-	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 changes in equity

		Separate financial statements				
	Note	Issued and paid share capital	Share premium	Retained earnings		Total equity
				Legal reserve	Other component of equity Available-for-sale investments (in Baht)	
Year ended 31 December 2018						
Balance at 1 January 2018		2,244,000,000	8,558,557,850	224,400,000	6,082,756	52,754,009,972
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company	35	-	-	-	-	(6,283,087,790)
Total transactions with owners, recorded directly in equity		-	-	-	-	(6,283,087,790)
Comprehensive income for the year						
Profit		-	-	7,563,176,510	-	7,563,176,510
Other comprehensive income		-	-	(13,880,572)	(218,613,739)	(232,494,311)
Total comprehensive income for the year		-	-	7,549,295,938	(218,613,739)	7,330,682,199
Balance at 31 December 2018		2,244,000,000	8,558,557,850	224,400,000	(212,530,983)	53,801,604,381

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

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

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Cash flows from operating activities				
Profit for the year	11,383,353,146	13,669,509,295	7,563,176,510	9,937,474,739
<i>Adjustments to reconcile profit (loss) to cash receipts (payment)</i>				
Real estate projects under development decrease from transfer to cost of sale	1,564,737,158	-	-	-
Depreciation and amortisation	5,905,735,427	5,314,523,307	3,019,600,997	2,716,140,569
Investment income	(115,143,290)	(23,211,972)	(5,065,987,189)	(7,147,769,230)
Financial cost	426,332,773	363,859,110	1,184,608,506	1,049,098,043
Bad debt and doubtful debts expense	34,496,992	6,488,129	27,112,921	16,004,445
Write off of investment properties	3,890,492	2,870,323	1,003,589	1,650,912
Gain on sale of long-term investments from related parties	(7,673,576)	-	(7,673,576)	-
Gain on sale of current investments	(16,403,862)	-	(16,403,862)	-
(Gain) loss on sales of assets	(3,504,608)	(49,766,621)	(2,548,062)	225,067
Recognition of advance received from rental and service income	(1,640,018,757)	(1,013,794,304)	(175,350,835)	(164,583,579)
Provision for employee benefits	56,735,638	47,081,658	41,667,732	41,446,665
Share of profit of associates and joint ventures	(987,151,119)	(838,708,545)	-	-
Unrealised gain on exchange rate	74,956	-	-	-
Unrealised gain from financial instruments	-	(3,209,759)	-	-
Tax expense	2,056,902,384	1,794,526,413	845,514,108	708,847,687
	18,662,363,754	19,270,167,034	7,414,720,839	7,158,535,318
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	75,037,114	(212,259,028)	14,388,903	(222,814,396)
Other receivables	201,745,226	(912,569,339)	(116,385,138)	(320,248,767)
Real estate projects under development	(1,362,139,329)	(2,987,266,274)	-	-
Other non-current assets	(919,442,407)	(573,935,144)	(40,639,756)	15,337,576
Trade accounts payable	(143,915,969)	105,859,673	224,442,115	142,096,714
Other payables	599,208,342	990,384,766	21,999,978	319,990,621
Advance received from rental and service income	1,588,333,205	12,978,017,491	443,391,444	466,484,960
Deposits from customers received	606,140,848	247,877,811	281,497,922	218,104,740
Provisions for employee benefit paid	(3,878,100)	(538,120)	(2,737,300)	-
Net cash generated from operating	19,303,452,684	28,905,738,870	8,240,679,007	7,777,486,766
Taxes paid	(2,164,122,589)	(2,306,828,146)	(952,917,935)	(903,338,478)
Net cash from operating activities	17,139,330,095	26,598,910,724	7,287,761,072	6,874,148,288

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

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

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
<i>Note</i>	2018	2017	2018	2017
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	20,982,103	21,053,794	529,621,744	458,451,503
Dividends received	913,380,125	776,793,484	5,970,034,001	5,273,884,990
Decrease (increase) in current investments	2,910,997,710	(2,349,227,588)	2,910,997,710	(2,374,743,698)
Acquisition of investments in subsidiaries, associates and joint ventures	(75,348,250)	(669,158,643)	(2,749,828,202)	(984,313,590)
Proceeds from redemption of investment unit trusts of funds	-	-	10,640,000	17,520,000
Proceeds from capital reduction of investment in associate	21,889,868	-	-	-
Acquisition of other long-term investments	(44,818,286)	-	-	-
Acquisition of other long-term investments - related party	(2,147,314,306)	-	(2,147,314,306)	-
Proceeds from sales of other long-term investments	-	-	-	11,535
Proceeds from sale of long-term investments - related party	43,635,398	-	43,635,398	-
Loans to related parties	(56,202,750)	(130,833,653)	(7,983,564,480)	(10,602,678,748)
Proceeds from repayment of loan to related parties	62,650,403	-	9,109,875,642	5,841,225,047
Acquisition of investment properties	(4,811,278,120)	(8,609,758,555)	(844,454,465)	(4,052,738,376)
Acquisition of property and equipment	(182,411,550)	(187,103,791)	(101,245,974)	(90,233,700)
Acquisition of leasehold rights	(3,765,670,031)	(1,560,858,981)	(401,368,771)	(318,162,003)
Advance payment for purchase of investment properties and leasehold rights	(228,220,975)	(210,502,961)	(42,075,833)	-
Payment for leasehold rights payable	(33,333,333)	-	(33,333,333)	-
Proceeds from sales of leasehold rights and investment properties	68,760,493	111,951,717	47,497,500	58,101,102
Repayment of contractor payables	(1,436,670,415)	(1,768,402,565)	(999,183,741)	(1,617,918,809)
Acquisition of business	⁴ (9,710,732,944)	-	-	-
Net cash from (used in) investing activities	(18,449,704,860)	(14,576,047,742)	3,319,932,890	(8,391,594,747)
<i>Cash flows from financing activities</i>				
Interest paid	(610,576,876)	(482,966,161)	(1,235,887,039)	(1,066,270,904)
Dividends paid to owners of the Company	(6,282,449,843)	(3,724,688,810)	(6,282,449,843)	(3,724,688,810)
Proceeds from issuance of ordinary shares of subsidiaries to non-controlling interests	497,153,491	554,204,105	-	-
Payments of change in ownership interests in subsidiaries without a change in control	(4,053,923,103)	-	-	-
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(820,863)	(1,590,663)	(820,863)	(1,590,663)
Proceeds from loans from related parties	75,807,000	-	10,361,121,600	21,111,060,621
Repayment of loans from related parties	-	-	(21,910,071,788)	(6,527,471,548)
Proceeds from loans from other party	-	14,037,773	-	-
Proceeds from loans from financial institutions and institutional investors	24,828,865,411	16,500,000,000	21,100,000,000	16,500,000,000
Repayments of loans from financial institutions and institutional investors	(12,569,734,572)	(24,875,010,460)	(12,133,600,000)	(24,808,360,000)
Net cash from (used in) financing activities	1,884,320,645	(12,016,014,216)	(10,101,707,933)	1,482,678,696

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

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

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Net increase (decrease) in cash and cash equivalents	573,945,880	6,848,766	505,986,029	(34,767,763)
Cash and cash equivalents at 1 January	2,418,138,796	2,488,945,220	1,505,217,748	1,539,985,511
Foreign currencies translation differences for foreign operations	28,946,025	(77,655,190)	-	-
Cash and cash equivalents at 31 December	3,021,030,701	2,418,138,796	2,011,203,777	1,505,217,748

Non-cash transactions

During the year 2018, the Group acquired investment properties, property, plant and equipment, leasehold rights and right for usage of assets at total cost of Baht 9,587.7 million (2017: Baht 14,378.3 million), of which Baht 8,759.3 million was paid by cash (2017: Baht 10,357.7 million), capitalised borrowing costs relating to the acquisition of assets amounting to Baht 93.4 million (2017: Baht 116.5 million), Baht 735.0 million was outstanding contractor payables as at 31 December 2018 (2017: Baht 3,752.7 million) and there was no outstanding accounts payable for leasehold right (2017: Baht 151.4 million).

During the year 2018, the Company acquired investment properties, property, plant and equipment, leasehold rights and right for usage of assets at total cost of Baht 1,854.6 million (2017: Baht 6,485.2 million), of which Baht 1,347.1 million was paid by cash (2017: Baht 4,461.1 million), capitalised borrowing costs relating to the acquisition of assets amounting to Baht 56.3 million (2017: Baht 48.8 million), and Baht 451.2 million was outstanding contractor payables as at 31 December 2018 (2017: Baht 1,823.9 million) and there was no outstanding account payable for leasehold rights (2017: Baht 151.4 million).

During the year 2018, the Group acquired real estate projects under development at a total cost of Baht 2,595.4 million (2017: Baht 3,177.7 million) of which Baht 1,362.1 million was paid by cash (2017: Baht 3,002.9 million), transferred from investment properties, property, plant, and equipment of 934.9 million (2017: 15.6 million), capitalised borrowing costs relating to the acquisition of assets amounting to Baht 90.3 million (2017: Baht 15.6 million), Baht 208.1 million was outstanding trade accounts payable as at 31 December 2018 (2017: Baht 159.2 million).

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

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2018

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 21 February 2019.

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, 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 2018 and 2017, details of the Company’s subsidiaries, fund, associates and joint ventures entities are additionally given in note 5, 11, and 13. Details are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2018	2017
(%)				
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	44.0	100.0
Central Pattana Rattana Thibet Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
Central Food Avenue Co., Ltd.	(4)	Thailand	100.0	100.0
Central World Co., Ltd.	(1) (2) (4) (7)	Thailand	100.0	100.0
Central Pattana Rama 3 Co., Ltd.	(1) (4)	Thailand	100.0	100.0
Central Pattana Chonburi Co., Ltd.				
(Under liquidation process)	(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.				
(Under liquidation process)	(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	63.0
Phraram 4 Development Co., Ltd.	(6)	Thailand	90.0	90.0
Saladang Property Management Co., Ltd.	(1)	Thailand	86.0	75.0
CPN REIT Management Co., Ltd.	(11)	Thailand	100.0	100.0
Dara Harbour Co., Ltd.	(6)	Thailand	65.0	65.0

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2018	2017
(%)				
Direct subsidiaries (continued)				
CPN Pattaya Hotel Co., Ltd.	(7)	Thailand	100.0	100.0
Chanakun Development Co., Ltd.	(1)	Thailand	100.0	-
CPN Village Co., Ltd.				
(Formerly name Sawan Vithee Co., Ltd.)	(1)	Thailand	100.0	-
Common Ground (Thailand) Co., Ltd.	(2)	Thailand	100.0	-
Indirect subsidiaries				
Central Pattana Realty Co., Ltd	(2) (6)	Thailand	56.0	-
Central Pattana Nine Square Co., Ltd.	(1) (2)	Thailand	4.4	-
Bangna Central Property Co., Ltd.	(1) to (5)	Thailand	99.9	99.9
Global Retail Development & Investment Limited	(6)	Hong Kong	100.0	100.0
Global Commercial Property Limited	(6)	Hong Kong	100.0	100.0
CPN Complex Co., Ltd.	(6)	Thailand	99.9	99.9
CPN City Co., Ltd.	(6)	Thailand	99.9	99.9
C.S. City Co., Ltd.	(1)	Thailand	100.0	100.0
CPN Residence Management Co., Ltd.	(12)	Thailand	100.0	-
CPN Ventures Sdn. Bhd.	(8)	Malaysia	100.0	100.0
CPN Real Estate Sdn. Bhd.				
(Liquidated on 28 November 2018)	(6)	Malaysia	-	100.0
CPN Malls Malaysia Sdn. Bhd.				
(Liquidated on 28 November 2018)	(6)	Malaysia	-	100.0
Central Plaza i-City Malls Malaysia Sdn. Bhd.				
(Liquidated on 28 November 2018)	(6)	Malaysia	-	100.0
Central Plaza i-City Sdn. Bhd.				
(Liquidated on 28 November 2018)	(6)	Malaysia	-	100.0
Central Plaza i-City Real Estate Sdn. Bhd.	(6)	Malaysia	60.0	60.0
Grand Canal Land Public Company Limited	(1) (2) (3)			
	(4) (8)	Thailand	67.5	-
Belle Development Co., Ltd.	(1) (10)	Thailand	79.6	-
Belle Assets Co., Ltd.	(6)	Thailand	100.0	-
Sterling Equity Co., Ltd.	(1)	Thailand	100.0	-
G Land Property Management Co. Ltd.	(1)	Thailand	100.0	-
Rama 9 Square Co., Ltd.	(1)	Thailand	93.1	-
Rama 9 Square Hotel Co., Ltd.	(7)	Thailand	99.9	-
GLAND REIT Management Co., Ltd.	(11)	Thailand	100.0	-
Ratchada Assets Holding Limited	(6)	Thailand	100.0	-
Funds				
Thai Business Fund 4	(6)	Thailand	100.0	100.0
Thai Business Fund 5				
(Liquidated on 15 May 2018)	(6)	Thailand	-	100.0

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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
- (12) Management of condominium juristic person and housing estate juristic person

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 2018. The application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 42.

(b) Basis of measurement

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

<i>Items</i>	<i>Measurement bases</i>
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 prepared and presented in Thai Baht, which is the Company’s functional currency.

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

(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), 18 | Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used |
| Note 3(p) | Recognition and measurement of provisions: and |
| Note 3(o), 23 | Measurement of defined benefit obligations: key actuarial assumptions |
| Note 4 | Acquisition of business |

Measurement of fair values

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

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

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that 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 entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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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 14 Investment properties
- Note 36 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.

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. Any gain on bargain purchase is recognised in profit or loss immediately.

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

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.

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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 combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

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

Interests in equity - accounted investees

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

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

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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.

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

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

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

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(c) *Derivative financial instruments*

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

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.

(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.

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Investments in other debt and equity securities

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

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

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

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

Disposal of investments

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

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

(h) Investment properties

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

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(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.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to cost and reclassified as investment property.

Subsequent costs

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

Depreciation

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

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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	30 years
Leasehold rights over land	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.

The estimated useful lives are as follows:

Right for usage of assets	10 - 40 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Impairment

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

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.

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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 impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(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.

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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.

(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.

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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.

Sale of real estate

Sales of real estate are recognised as revenue when the significant risks and rewards of ownership have been transferred to buyer as construction works are completed and the ownerships were transferred to buyers after all payments received from the buyers.

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.

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 periods 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.

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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.

(i) Income tax

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

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

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

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

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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(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.

4 Acquisition of business and non-controlling interests

(a) Acquisition of business

On 12 September 2018, the Group purchased business of Grand Canal Land Public Company Limited and its subsidiaries ("Grand Canal Land"), a property developer by CPN Pattaya Co., Ltd. ("CPN Pattaya"), a subsidiary of the Company. CPN Pattaya acquired the ordinary shares of 3,278.13 million shares which accounted for 50.43% of total issued and paid-up capital of Grand Canal Land by Baht 3.10 per share, totalling Baht 10,162.21 million and already fully paid-up for shares on 12 September 2018 that Group completed the business acquisition.

The major goodwill was due to the fact that taking control of Grand Canal Land will enable the Group to improve financial support and enhance liquidity for long-term return to shareholders as well as raise the competency in business competition. Also, the Group can invest in more larger-scale projects that will significantly increase the growth rate and the performance of the Group. None of the goodwill recognised is expected to be deductible for income tax purposes.

During the period from acquisition date to 31 December 2018, Grand Canal Land Public Company Limited and its subsidiaries contributed revenue of Baht 585.90 million and loss of Baht 13.57 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimates that consolidated revenue would have increased by Baht 1,782.36 million for the year 2018 and consolidated profit would have decreased by Baht 117.7 million for the year ended 31 December 2018. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2018.

Management of the Group evaluated the fair value of assets acquired and liabilities assumed from business acquisition. The fair value of assets acquired were evaluated by market comparison and income approach discounted cash flows for each type of asset properly.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

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Identifiable assets acquired and liabilities assumed

	Note	Fair value (in million Baht)
Cash and cash equivalents		452
Trade and other receivables		777
Real estate projects under development		3,150
Long-term loan		4,304
Investment in associate	13	952
Investment in joint ventures	13	2,520
Long-term investment in related parties		440
Investment properties	14	22,973
Property, plant, and equipment	15	499
Leasehold rights	16	109
Deferred tax assets	18	147
Other non-current assets		38
Trade and other payables		(1,585)
Borrowings	20	(8,602)
Advanced received income		(5,756)
Income tax payables	18	(32)
Deferred tax liabilities		(2,044)
Other non-current liabilities		(244)
Total identifiable net assets		18,098
Interest acquired (%)		50.43
Fair value of identifiable assets acquired and liabilities assumed		9,127
Goodwill arising from the business acquisition		1,036
Purchase consideration transferred		10,163
Net cash acquired with the subsidiaries		452
Cash paid		(10,163)
Net cash outflow		(9,711)

The Group is under the fair value valuations of assets acquired and liabilities assumed from the business acquisition by independent appraiser. Therefore, fair value of business acquired and the allocation of purchase price have been provisionally determined and are subject to potential amendment depending on the finalisation of the appraisal value by independent appraiser. According to TFRS 3: Business Combination, the Company applied and was during the measurement period, if there are new information that obtain additionally within one year since the date of business acquisition. In case of the information from facts and circumstances that existed at the acquisition date, the business acquisition recording will be revised.

Under the Share Purchase agreement, determines that the seller has liable for damage that may occur, arising from litigations as stipulated in the agreement of Grand Canal Land Public Company Limited and its subsidiaries in the amount specified in the agreement.

Acquisition-related costs

The Group incurred acquisition-related costs of Baht 23.6 million related to external legal fees and due diligence costs. The said legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of comprehensive income.

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(b) Acquisition of non-controlling interests

On 24 September 2018, the Group make a mandatory offer for all remaining shares of Grand Canal Land Public Company limited and its subsidiaries (Grand Canal Land) to the Securities and Exchange Commission, Thailand and the buying period was from 25 September 2018 to 31 October 2018. After acquisition offer completed in November 2018, the Group acquired an additional 17.1% interest in Grand Canal Land for Baht 3,445 million in cash, increasing its ownership interest from 50.43% to 67.53%. The Group recognised a decrease in non-controlling interests of Baht 3,094.64 million, a decrease in retained earnings of Baht 350.34 million, and attributable to owners of the Group of Baht 3,444.98 million of changes in the Group's ownership interest in Grand Canal Land.

The following summarises the effect of changes in the Group's ownership interest in Grand Canal Land:

	<i>(in million Baht)</i>
Group's ownership interest at 12 September 2018	9,127
Effect of increase in Group's ownership interest	3,095
Group's ownership interest at 31 December 2018	12,222

5 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, associates and joint venture are described in note 1, 11 and 13. 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

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Food Gimmick Co., Ltd.	Thailand	Some common directors
Food Excellent Co., Ltd.	Thailand	Some common directors
Central International Development Co., Ltd.	Thailand	Some common directors
Robinson Public Company Limited	Thailand	Some common directors
Central Watson Co., Ltd.	Thailand	Some common directors
F&D International Co., Ltd.	Thailand	Some common directors
Food Festival Co., Ltd.	Thailand	Some common directors
Food Millennium Co., Ltd.	Thailand	Some common directors
Central Retail Corporation Co., Ltd.	Thailand	Some common directors
Fairy Plaza Co., Ltd.	Thailand	The shareholder of subsidiaries
Siam Retail Development Co., Ltd.	Thailand	Held by a subsidiary
Ayudhaya Agrocit Co., Ltd.	Thailand	Held by a subsidiary
Square Ritz Plaza Co., Ltd.	Thailand	Held by a subsidiary and some common directors
Vantage Ground Co., Ltd.	Thailand	Some common directors
Bara, Windsor & Co., Ltd.	Thailand	Some common directors
Spaghetti Factory Co., Ltd.	Thailand	Some common directors
Fuji Delicious Creation Co., Ltd.	Thailand	Some common directors
CMG Marketing Co., Ltd.	Thailand	Some common directors
CRC Thai Watsadu Co., Ltd.	Thailand	Some common directors
Zen Restaurant Holding Co., Ltd.	Thailand	Some common directors
CRG International Food Co., Ltd.	Thailand	Some common directors
Food Passion Co., Ltd.	Thailand	Some common directors
Dusit Thani Public Company Limited	Thailand	Held by the Company
Super Assets Co., Ltd.	Thailand	Some common directors
CKS Holding Co., Ltd.	Thailand	Some common directors
Grand Fortune Co., Ltd.	Thailand	Some common directors
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
Dividend income	As declared payment
Cost of rent and services	Market prices
Cost of food and beverage	Market prices

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Transactions	Pricing policies
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:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Subsidiaries and funds				
Revenue from rent and services	-	-	81,513	70,855
Management income	-	-	315,062	350,644
Interest income	-	-	512,992	459,277
Dividend income	-	-	3,619,129	5,895,663
Other income	-	-	269,926	196,400
Cost of rent and services	-	-	233,132	232,371
Cost of food and beverage	-	-	4	1
Administrative expenses	-	-	21,675	20,654
Interest expense	-	-	852,770	601,323
Sale of investment properties	-	-	-	53,134
Associates				
Dividend income	-	-	913,249	776,662
Revenue from rent and services	1,260,732	592,300	36,688	31,530
Management income	715,728	448,408	570,048	436,709
Revenue from sale of food and beverage	1	1	-	-
Interest income	5,437	3,485	5,437	3,485
Other income	28,234	243,460	27,379	196,958
Cost of rent and services	37,894	4,278	2,801	2,752
Cost of food and beverage	37,987	33,508	-	-
Administrative expenses	429,355	82,001	50,629	55,727
Sale of equipment	-	75,000	-	-
Joint ventures				
Revenue from rent and services	649	-	649	-
Management income	320	-	320	-
Other income	320	-	310	-
Interest income	88,674	-	-	-

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<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Other related parties				
Revenue from rent and services	4,611,970	4,367,052	2,614,954	2,419,459
Revenue from sale of food and beverage	1,759	2,678	70	35
Management income	2,819	-	-	-
Other income	201,180	191,245	91,832	76,200
Cost of rent and services	981,321	853,957	945,931	827,176
Cost of food and beverage	5,519	5,609	223	159
Management fees	215,917	194,497	206,310	183,687
Administrative expenses	162,787	155,875	130,832	129,036
Interest expense	-	14	-	14
Key management				
Key management personnel				
Short-term benefits	240,914	181,242	229,549	181,242
Post-employment benefits	4,866	4,587	4,866	4,587
Total key management personnel	245,780	185,829	234,415	185,829

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Trade accounts receivable - related parties				
Subsidiaries and funds	-	-	55,176	39,092
Associates	75,554	-	52,249	-
Joint ventures	803	-	803	-
Other related parties	239,455	260,527	137,536	134,296
Total	315,812	260,527	245,764	173,388
Other receivables				
Associates	37,055	-	-	-
Accrued income				
Subsidiaries and funds	-	-	135,622	1,570,829
Accrued income				
Subsidiaries and funds	-	-	-	26
Associates	106,420	-	-	-
Joint ventures	129,956	-	-	-
Total	236,376	-	-	26
Prepaid expenses				
Other related parties	117,336	9,360	11,431	9,360

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Other non-current assets				
Deposit				
Associate	<u>991,025</u>	<u>492,380</u>	<u>-</u>	<u>-</u>
Loans to related parties				
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(% per annum)</i>			
	<i>(in thousand Baht)</i>			
Short-term loans to				
Subsidiaries and funds	2.49	2.67, 3.70	-	-
			26,017	1,281,303
Long-term loans to				
Subsidiaries and funds	2.49, 3.25	2.67, 3.25	-	-
			16,145,193	15,953,210
Associates	5.20	5.20	75,215	134,319
			75,215	134,319
Joint Ventures	6.50,			
	MLR-0.5	-	4,443,254	-
			-	-
Total long-term loans			<u>16,220,408</u>	<u>16,087,529</u>
Total loans to related parties			<u>16,246,425</u>	<u>17,368,832</u>

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Short-term loans to				
Subsidiaries and funds				
At 1 January	-	-	1,281,303	624,577
Increase				
- Principal	-	-	2,465	695,833
- Interest	-	-	753	27,086
Decrease				
- Principal	-	-	(1,255,008)	(39,988)
- Interest	-	-	(3,496)	(26,205)
At 31 December	<u>-</u>	<u>-</u>	<u>26,017</u>	<u>1,281,303</u>

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Long-term loans to Subsidiaries and funds				
At 1 January	-	-	15,953,210	11,965,854
Increase				
- Principal	-	-	7,975,948	9,776,012
- Interest	-	-	507,497	417,272
Decrease				
- Principal	-	-	(7,792,217)	(5,801,237)
- Interest	-	-	(499,245)	(404,691)
At 31 December	-	-	16,145,193	15,953,210
Associate				
At 1 January	134,319	-	134,319	-
Increase				
- Principal	5,152	130,834	5,152	130,834
- Interest	5,437	3,485	5,437	3,485
Decrease				
- Principal	(62,651)	-	(62,651)	-
- Interest	(7,042)	-	(7,042)	-
At 31 December	75,215	134,319	75,215	134,319
Joint ventures				
At 1 January	-	-	-	-
Increase from business combination	4,303,840	-	-	-
Increase				
- Principal	51,051	-	-	-
- Interest	88,674	-	-	-
Decrease				
- Interest	(311)	-	-	-
At 31 December	4,443,254	-	-	-
Total long-term loans to related parties				
At 1 January	134,319	-	16,087,529	11,965,854
Increase from business combination	4,303,840	-	-	-
Increase				
- Principal	56,203	130,834	7,981,100	9,906,846
- Interest	94,111	3,485	512,934	420,757
Decrease				
- Principal	(62,651)	-	(7,854,868)	(5,801,237)
- Interest	(7,353)	-	(506,287)	(404,691)
At 31 December	4,518,469	134,319	16,220,408	16,087,529

As at 31 December 2018 and 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, associates, and joint ventures carry interest at the rate specified in the contract.

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Trade accounts payable - related parties</i>				
Subsidiaries and funds	-	-	24,025	37,705
Associates	43,715	22,320	16,855	17,880
Other related parties	246,711	27,296	127,312	5,982
Total	290,426	49,616	168,192	61,567
<i>Other payables - related parties</i>				
Associates	474	-	-	-
<i>Accounts payable for leasehold right</i>				
Other related parties	266,667	300,000	266,667	300,000
Less Current portion of account payable for leasehold right	-	(33,333)	-	(33,333)
Net	266,667	266,667	266,667	266,667
<i>Unearned rental and service income</i>				
Subsidiaries and funds	-	-	48,752	54,308
Associates	25,554,184	21,179,024	24,134	7,768
Total	25,554,184	21,179,024	72,886	62,076
Less Current portion of unearned rental service income	(1,192,297)	(964,253)	(8,207)	(6,559)
Net	24,361,887	20,214,771	64,679	55,517
<i>Deposits received from customers</i>				
Subsidiaries and funds	-	-	11,415	3,901
Other related parties	811,242	755,974	398,777	368,410
Total	811,242	755,974	410,192	372,311
<i>Guarantees for leasehold rights</i>				
Other related party	233,497	244,117	233,089	239,877

Loans from related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Short-term loans from</i>				
Subsidiaries and funds	1.50, 2.49	1.53, 2.67	-	-
Related parties	3.25	-	9,694,518	8,759,460
Total short-term loans			9,694,518	8,759,460

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	Interest rate		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Long-term loans from Subsidiaries:	2.49	2.67	-	-	12,548,929	25,058,486
Total long-term loans			-	-	<u>12,548,929</u>	<u>25,058,486</u>
Total loans from related parties			<u>90,089</u>	<u>-</u>	<u>22,243,447</u>	<u>33,817,946</u>

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Short-term loans from Subsidiaries and funds				
At 1 January	-	-	8,759,460	15,755,599
Increase				
- Principal	-	-	8,471,642	7,136,559
- Interest	-	-	217,329	144,273
Decrease				
- Principal	-	-	(7,541,209)	(14,104,350)
- Interest	-	-	(212,704)	(172,621)
At 31 December	<u>-</u>	<u>-</u>	<u>9,694,518</u>	<u>8,759,460</u>
Related parties				
At 1 January	14,229	-	-	-
Increase				
- Principal	75,807	-	-	-
- Interest	1,642	-	-	-
Decrease				
- Interest	(1,589)	-	-	-
At 31 December	<u>90,089</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total short-term loans from related parties				
At 1 January	14,229	-	8,759,460	15,755,599
Increase				
- Principal	75,807	-	8,471,642	7,136,559
- Interest	1,642	-	217,329	144,273
Decrease				
- Principal	-	-	(7,541,209)	(14,104,350)
- Interest	(1,589)	-	(212,704)	(172,621)
At 31 December	<u>90,089</u>	<u>-</u>	<u>9,694,518</u>	<u>8,759,460</u>

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Long-term loans from Subsidiaries and funds</i>				
At 1 January	-	-	25,058,486	3,460,149
Increase				
- Principal	-	-	1,889,480	24,777,010
- Interest	-	-	611,698	457,669
Decrease				
- Principal	-	-	(14,368,863)	(3,225,631)
- Interest	-	-	(641,872)	(410,711)
At 31 December	-	-	12,548,929	25,058,486

As at 31 December 2018 and 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 specified in the contract.

Commitments with related parties

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Non-cancellable operating lease commitments				
Within one year	869	1,023	1,104	1,053
After one year but within five years	4,043	4,691	4,984	4,761
After five years	12,417	13,678	14,314	15,735
Total	17,329	19,392	20,402	21,549

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.

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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.

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.

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CentralPlaza Lardprao

In 2009, the Company entered into a sublease contract of assets comprising of land, shopping center, office building, parking buildings including their building improvements with integrated components and equipment of CentralPlaza Lardprao with Central International Development Company Limited (“the sublessor”) for a period of 20 years ending on 18 December 2028. The Company had to pay compensation for subleasehold right to the sublessee in the amount of Baht 2,162 million, which was recorded as leasehold rights in the statements of financial position. In addition, the Company is required to pay annual rental for the assets and rental for equipment throughout the sublease contract period totalling Baht 14,016 million.

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

CentralPlaza Bangna

The Group entered into a land lease agreement with Hang Central Department Store Co., Ltd., a related party, for the location of CentralPlaza Bangna project for a period of 30 years ending in 2023.

CentralPlaza WestGate

In January 2013, the Company entered into a land lease agreement with Vantage Ground Co., Ltd., (“Vantage”) a related party, for the construction of shopping centre for lease for a period of 30 years ending on 18 February 2043. Under the conditions of the agreement, the Company had to pay compensation for land lease to 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.

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.

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CentralFestival Phuket

In June 2015, the Company entered into sublease land agreements and shopping building lease agreements with Central Department Store Co., Ltd. ("lessor") a related party, for the operation of shopping centres for lease for a period of 41 years and 6 days ending on 6 June 2056. Under the conditions of the agreements, the Company had to pay compensation of land lease for shopping centre in the amount of Baht 5,572.9 million and to pay for land leasehold right to lessee in the amount of Baht 666.7 million and pay the annual land rental throughout the agreement period totalling Baht 2,769.2 million. In addition, there was an entering into the purchase and sale of utility system and asset agreements totalling Baht 55.5 million.

At the Company's Board of Directors' meeting held on 10 August 2018, the Board approved the additional land and building sublease agreements and purchased assets related to CentralFestival Phuket project with Central Department Store Co., Ltd. ("lessee"), a related party, to operate the shopping center within Baht 1,282 million.

Hilton Pattaya Hotel

In November 2017, the Group entered into hotel building utility system and movable assets sublease agreements with CPN Retail Growth Leasehold REIT ("the sublessor"), a related party, for using in the operation of hotel business for lease for a period of 1 month ending on 31 December 2017. The Group can renew the agreements for 3 times at 3 years each ending in December 2026. Under the conditions of the agreement, the Company had to pay the annual rental throughout the lease agreement period. 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.

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.

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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 2018 to 31 December 2018. Subsequently, in January 2019, the Company extended the management agreement with the subsidiaries for another one year ending on 31 December 2019.

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.

Collateral

As at 31 December 2018, the Group had collateral of subsidiaries of Baht 307 million and Malaysian Ringgit 50 million credit line (equivalent to Baht 396 million) (2017: Baht 482 million).

As at 31 December 2018, an indirect subsidiary had loan guarantee with another indirect subsidiary of Baht 1,960 million credit line (2017: Baht 1,960 million).

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cash on hand	9,270	25,288	4,824	11,856
Call deposits	3,011,761	2,392,851	2,006,380	1,493,362
Cash and cash equivalents	<u>3,021,031</u>	<u>2,418,139</u>	<u>2,011,204</u>	<u>1,505,218</u>

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7 Other investments

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Current investments				
Equity securities available-for-sale	4,060	4,040	4,060	4,040
Investments in marketable unit trusts classified as available-for-sale	41,460	2,939,076	41,460	2,939,076
Current investments	45,520	2,943,116	45,520	2,943,116
Long-term investments				
Other non-marketable equity securities	131,647	131,647	-	-
Equity securities in marketable classified as available-for-sale	1,842,608	-	1,842,608	-
Less allowance for impairment	(65,397)	(65,397)	-	-
Long-term investment in related parties-net	1,908,858	66,250	1,842,608	-
Other long-term investments				
Other non-marketable equity securities	31,318	1,000	1,000	1,000
Investments in marketable unit trusts classified as available-for-sale	139,468	124,371	-	-
Held to maturities securities	2,138	2,185	2,138	2,185
Other long-term investments	172,924	127,556	3,138	3,185
Total	2,127,302	3,136,922	1,891,266	2,946,301

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	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Current investments				
Available for sale securities				
At 1 January	2,943,116	591,169	2,943,116	565,144
Purchases during the year	5,725,000	5,290,035	5,725,000	5,256,000
Sales during the year	(8,619,594)	(2,940,807)	(8,619,594)	(2,881,256)
Valuation adjustment	(3,002)	2,719	(3,002)	3,228
At 31 December	45,520	2,943,116	45,520	2,943,116

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	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Long-term investments - related party</i>				
Available-for-sale				
As at 1 January	66,250	66,250	-	-
Purchases during the year	2,147,314	-	2,147,314	-
Sales during the year	(35,962)	-	(35,962)	-
Valuation adjustment	(268,744)	-	(268,744)	-
At 31 December	1,908,858	66,250	1,842,608	-
<i>Other long-term investments</i>				
As at 1 January	127,556	126,846	3,185	3,231
Purchases during the year	44,818	-	-	-
Valuation adjustment	550	710	(47)	(46)
At 31 December	172,924	127,556	3,138	3,185

Equities securities classified as available for sale - related parties

The Board of Directors' meeting on 9 May 2018, approved a resolution to acquire the ordinary shares of Dusit Thani Public Company Limited (Dusit Thani) of 194,926,920 shares which accounted for 22.93% totalling Baht 2,141.4 million in order to use for long-term investment. The Company has not involved in the management of Dusit Thani.

As at 31 December 2018, the Company holds shares and has voting rights of 22.58%. However, the Company does not have significant influence because the Company does not participate in making decision, policy-making including making decision of dividends or other distributions, operating business and dominating business (see notes to the financial statements No. 43).

Collateral

As at 31 December 2018, 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 139.47 million (2017: Baht 124.37 million).

8 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	5	315,812	260,527	245,764	173,388
Other parties		1,067,249	1,080,760	623,783	724,828
Total		1,383,061	1,341,287	869,547	898,216
Less allowance for doubtful accounts		(104,436)	(33,189)	(32,208)	(19,376)
Net		1,278,625	1,308,098	837,339	878,840
Bad and doubtful debt expenses for the year		34,497	6,489	27,113	16,005

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	101,383	37,985	94,527	31,745
Overdue:				
Less than 3 months	135,818	73,371	88,982	94,958
3-6 months	31,050	44,099	21,005	26,133
6-12 months	25,943	26,856	22,528	7,219
Over 12 months	21,618	78,216	18,722	13,333
Total	315,812	260,527	245,764	173,388
Deposits from overdue customers	774,695	867,779	360,208	344,806
Other parties				
Within credit terms	180,073	150,302	74,257	137,302
Overdue:				
Less than 3 months	559,063	579,461	361,996	364,700
3-6 months	50,906	159,804	54,779	77,726
6-12 months	106,185	133,204	70,955	88,774
Over 12 months	171,022	57,989	61,796	56,326
	1,067,249	1,080,760	623,783	724,828
Less allowance for doubtful accounts	(104,436)	(33,189)	(32,208)	(19,376)
Net	962,813	1,047,571	591,575	705,452
Deposits from overdue customers	6,167,441	6,568,373	2,764,784	2,542,586

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.

9 Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Accrued income	5	1,549,300	1,272,965	870,061	719,112
Accrued dividend income	5	-	-	135,622	1,570,829
Receivables from					
Revenue Department		436,879	598,679	-	-
Other accounts receivable	5	552,569	378,501	43,259	43,232
Prepaid expenses	5	514,482	491,441	439,227	428,056
Others		115,542	97,164	29,100	83,969
Total		3,168,772	2,838,750	1,517,269	2,845,198

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10 Real estate projects under development

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Projects under development				
- Land	5,386,812	2,294,321	-	-
- Land improvements	166,947	4,540	-	-
- Construction	160,235	-	-	-
- Utilities	1,763,618	1,284,916	-	-
- Other costs relating to project development	309,704	22,386	-	-
Total	7,787,316	3,606,163	-	-
Finance costs capitalised during the year	90,318	20,095	-	-
Rates of interest capitalised <i>(% per annum)</i>	2.91	2.87	-	-
Real estate projects under development recognised as an expense in 'cost of sales of real estate project'				
- Cost	1,564,737	-	-	-

11 Investments in subsidiaries and funds

	Separate financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
At 1 January	24,901,032	24,455,497
Acquisitions of investments	2,730,580	463,055
Redemption of investment units	(10,640)	(17,520)
At 31 December	27,620,972	24,901,032

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CPN Global Co., Ltd. (direct subsidiary)

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.

Central Realty Service Co., Ltd. (direct subsidiary)

During 2018, the Company received the return from share capital from Central Realty Service Co., Ltd. totalling Baht 2.65 million, and disposed such return to investment in Central Pattana Realty Co., Ltd., a subsidiary. The Company recorded return from share capital as income from dissolution in separate statement of comprehensive income for year ended 31 December 2018.

Chanakun Development (direct subsidiary)

In August 2018, the Company acquired the ordinary shares of Chanakun Development Co., Ltd. of 699,994 shares, totalling Baht 59 million which accounted for 99.99% of total issued and paid-up capital. The Company already fully paid-up for shares.

CPN Village Co., Ltd. (formerly name Sawan Vithee Limited) (direct subsidiary)

In August 2018, the Company acquired the ordinary shares of ordinary shares of Sawan Vithee Co., Ltd. of 99,998 shares, totalling Baht 1 million which accounted for 99.99% of total issued and paid-up capital. The Company already fully paid-up for shares.

At the extraordinary meeting of Sawan Vithee Co., Ltd. on 5 September 2018, approved a resolution to change the Company's name from "Sawan Vithee Co., Ltd." to "CPN Village Co., Ltd.". The company has registered the change of name with the Ministry of Commerce on 12 September 2018.

Common Ground (Thailand) Co., Ltd (direct subsidiary)

In November 2018, The Company has established Common Ground (Thailand) Co., Ltd which has a registered share capital of Baht 1 million, totalling 10,000 shares with a par value of Baht 100 per share. The Company held 100% and already paid up to 25% of totalling shares, totalling Baht 0.25 million.

Thai Business Fund 5 (direct subsidiary)

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% 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. During 2018, the Company received all capital repayment totalling Baht 10.64 million (2017: Baht 17.5 million). Thai Business Fund 5 completes liquidation on 15 May 2018.

CPN Learning Center Co., Ltd.

The extraordinary shareholders meeting of CPN Learning Center Co., Ltd. held on 29 October 2018, approved a resolution to dissolve the company and was registered for the dissolution to the Ministry of Commerce on 31 October 2018.

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CPN Ventures Sdn. Bhd. (indirect subsidiary)

In January 2018, at the extraordinary shareholders meeting of CPN Ventures Sdn. Bhd. the shareholders approved a resolution to increase the registered capital of Malaysian Ringgit 0.2 million (equivalent to Baht 1.63 million) from Malaysian Ringgit 7.4 million to Malaysian Ringgit 7.6 million.

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

In 2018, the Board of Directors' meeting of Central Plaza i-City Real Estate Sdn. Bhd. approved to additionally issue and call for paid up newly issued shares from Malaysian Ringgit 266.9 million to Malaysian Ringgit 420.4 million (equivalent to Baht 3,452.2 million) by issuing and calling for paid up newly issued shares of 153.5 million ordinary shares with par value of Malaysian Ringgit 1 per share in order to use for its working capital which the ownership interest of the Group is 60%. The Group invested in the increased shares in amount of Malaysian Ringgit 92.1 million (equivalent to Baht 747.1 million) at the same proportion of shareholding of the Group.

CPN Residence Management Co., Ltd. (indirect subsidiary)

In March 2018, the Group has established CPN Residence Management Co., Ltd. to support future investment which has a registered share capital of Baht 1 million, totalling 10,000 shares with a par value of Baht 100 per share.

Business Transfer between Central Pattana Chonburi Co., Ltd. and Central Pattana Realty Co., Ltd.

At the Extraordinary General Meeting of Shareholder of Central Pattana Chonburi Co., Ltd., a subsidiary, on 18 October 2018, the shareholders approved a resolution to transfer entire business to Central Pattana Realty Co., Ltd., another subsidiary of the Company. Therefore, on 19 October 2018 Central Pattana Chonburi ("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 Chonburi Co., Ltd., a subsidiary of the Company, on 19 October 2018, the shareholders approved to dissolve Central Pattana Chonburi Co., Ltd., which was registered for the dissolution to Minister of Commerce on 22 October 2018.

At the extraordinary shareholders meeting of Central Pattana Realty Co., Ltd. ("Business transferee company"), held on 31 October 2018, the shareholders approved a resolution to transfer entire business from Central Pattana Chonburi Co., Ltd. ("Business transferer company") and passed a resolution to increase the registered capital from Baht 1,003.66 million to Baht 2,268.41 million by issuing the ordinary shares of 126,475,502 shares with par value of Baht 10 per share as the compensation for the business transfer under the business transfer agreement dated 19 October 2018 to business transferer company in order to transfer to the shareholders of business transferer company in the liquidation process.

On 31 October 2018, business transferer company transferred net assets in amount of Baht 1,264.8 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 1,264.8 million. Business transferer company will subsequently proceed the return of investment to the shareholders.

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Saladang Property Management Co., Ltd. (direct subsidiary)

In January 2018, the Company acquired the ordinary shares of Saladang Property Management Co., Ltd. from Dusit Thani Public Company Limited of 440 shares in amount of Baht 168.68 million. Subsequently, the proportion of shareholding increased from 75% to 86% in accordance with the condition of the agreement.

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.

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 (%)
<i>Purchasing of investments in ordinary shares from Dusit Thani</i>				
Suanlum Property Co., Ltd.	-	0.63	63	63
<i>Investing in additional ordinary shares increasing in share capital</i>				
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	

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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.

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 centre 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.

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.

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CPN REIT Management Co., Ltd. (direct subsidiary)

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. (direct subsidiary)

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.

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CPN Pattaya Hotel Co., Ltd. (direct subsidiary)

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.

CPN Ventures Sdn. Bhd. (indirect subsidiary)

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”) (indirect subsidiary)

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.

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.

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Investments in subsidiaries and funds as at 31 December 2018 and 2017 and dividend income from those investments for the years then ended were as follows:

	Separate financial statements											
	Ownership interest (%)		Paid-up capital (in million Baht)		Cost		Impairment		At cost - net		Dividend income	
					2018	2017	2018	2017	2018	2017	2018	2017
Subsidiaries												
Central Pattana Rama 2 Co., Ltd.	100.0	100.0	1,500.0	1,500.0	1,500,000	1,500,000	-	-	-	1,500,000	1,500,000	-
Central Pattana Chiangmai Co., Ltd.	100.0	100.0	1,000.0	1,000.0	1,000,000	1,000,000	-	-	-	1,000,000	1,000,000	500,000
Central Pattana Realty Co., Ltd.	44.2	100.0	2,268.4	1,003.7	1,003,658	1,001,000	-	-	-	1,003,658	1,001,000	-
Central Pattana Rattanaadibet Co., Ltd.	100.0	100.0	800.0	800.0	589,998	589,998	-	-	-	589,998	589,998	383,499
Central Food Avenue Co., Ltd.	100.0	100.0	5.0	5.0	5,000	5,000	-	-	-	5,000	5,000	-
Central World Co., Ltd.	100.0	100.0	2,511.9	2,511.9	2,412,733	2,412,733	-	-	-	2,412,733	2,412,733	-
Central Pattana Rama 3 Co., Ltd.	100.0	100.0	324.7	324.7	2,166,751	2,166,751	-	-	-	2,166,751	2,166,751	302,006
Central Pattana Chonburi Co., Ltd.	100.0	100.0	900.0	900.0	808,984	808,984	-	-	-	808,984	808,984	499,500
CPN Residence Co., Ltd.	100.0	100.0	400.6	400.6	400,599	400,599	-	-	-	400,599	400,599	-
Central Pattana Development Co., Ltd.	100.0	100.0	700.0	700.0	744,285	744,285	-	-	-	744,285	744,285	-
CPN Global Co., Ltd.	100.0	100.0	2,500.0	1.0	2,500,000	1,000	-	-	-	2,500,000	1,000	-
Central Pattana Nine Square Co., Ltd.	93.3	93.3	2,400.0	2,400.0	2,239,200	2,239,200	-	-	-	2,239,200	2,239,200	-
Central Pattana Khon Kaen Co., Ltd.	78.1	78.1	2,000.0	2,000.0	1,562,684	1,562,684	-	-	-	1,562,684	1,562,684	-
CPN Learning Center Co., Ltd.	100.0	100.0	1.0	1.0	1,000	1,000	-	-	-	1,000	1,000	-
CPN Pattaya Co., Ltd	100.0	100.0	2,500.0	2,500.0	2,500,060	2,500,060	-	-	-	2,500,060	2,500,060	800,000
CPN Rayong Co., Ltd.	100.0	100.0	1,000.0	1,000.0	999,999	999,999	-	-	-	999,999	999,999	-
Bangna Central Property Co., Ltd.	-	-	962.5	962.5	1	1	-	-	-	1	1	-
CPN Korat Co., Ltd.	100.0	100.0	1,000.0	1,000.0	1,000,000	1,000,000	-	-	-	1,000,000	1,000,000	-
CPN Estate Co., Ltd.	100.0	100.0	0.3	0.3	250	250	-	-	-	250	250	-
CPN Residence Khon Kaen Co., Ltd.	100.0	100.0	50.0	50.0	50,000	50,000	-	-	-	50,000	50,000	-
Suanlum Property Co., Ltd.	63.0	63.0	172.0	172.0	108,360	108,360	-	-	-	108,360	108,360	-
Pharam 4 Development Co., Ltd.	90.0	90.0	1.0	1.0	900	900	-	-	-	900	900	-
Saladang Property Management Co., Ltd.	86.0	75.0	0.4	0.4	168,978	300	-	-	-	168,978	300	-
CPN REIT Management Co., Ltd.	100.0	100.0	10.0	10.0	10,000	10,000	-	-	-	10,000	10,000	-
Dara Harbour Co., Ltd.	65.0	65.0	215.6	215.6	291,750	291,750	-	-	-	291,750	291,750	-
CPN Pattaya Hotel Co., Ltd.	100.0	100.0	51.7	51.7	51,745	51,745	-	-	-	51,745	51,745	-

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	Separate financial statements									
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(%)		(in million Baht)		(in thousand Baht)					
Chanakun Development Co., Ltd.	100.0	-	59.0	-	58,994	-	-	-	58,994	-
CPN Village Co., Ltd.	100.0	-	1.0	-	1,000	-	-	-	1,000	-
(Formerly Sawan Vithee Co., Ltd.)										
Common Ground Co., Ltd	100.0	-	0.25	-	250	-	-	-	250	-
Funds										
Thai Business Fund 4 ⁽¹⁾⁽²⁾	100.0	100.0	5,443.8	5,443.8	5,443,793	-	-	-	5,443,793	1,312,815
Thai Business Fund 5 ⁽¹⁾	-	100.0	-	10.6	-	-	-	-	-	84,362
Total					27,620,972	24,901,032	-	-	27,620,972	3,619,129
										5,895,663

⁽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.

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12 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2018				Total
	Grand Canal Land Public Company Limited	Central Pattana Khon Kaen Co., Ltd.	Central Plaza i-City Real Estate Sdn. Bhd.	Other individually immaterial subsidiaries	
		<i>(in thousand Baht)</i>			
Non-controlling interest percentage	32.5%	21.9%	40.0%		
Current assets	4,006,614	113,218	197,329		
Non-current assets	31,887,407	5,073,083	5,520,653		
Current liabilities	(2,888,244)	(292,783)	(1,432,696)		
Non-current liabilities	(14,899,762)	(478,945)	(1,013,161)		
Net assets	18,106,015	4,414,573	3,272,125		8,449,717
Carrying amount of non-controlling interest	5,879,023	965,467	1,308,850	296,377	
Revenue	479,852	1,844,631	-		
Profit (loss) for the year	8,692	645,409	(95,822)		
Total comprehensive income	8,692	645,409	(95,822)		
Profit allocated to non-controlling interest	2,822	141,151	(38,329)	62,056	167,700
Cash flows from operating activities	301,437	1,080,488	113		
Cash flows (used in) from investing activities	398,716	(1,076,048)	(2,631)		
Cash flows (used in) from financing activities (dividends to non-controlling interest: nil)	(521,785)	(1,993)	2,487		
Net decrease in cash and cash equivalents	178,368	2,447	(31)		

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	31 December 2017				Other individually immaterial subsidiaries	Total
	Central Pattana Nine Square Co., Ltd.	Central Pattana Khon Kaen Co., Ltd.	Central Plaza i-City Real Estate Sdn. Bhd.	<i>(in thousand Baht)</i>		
Non-controlling interest percentage	6.7%	21.9%	40.0%			
Current assets	3,344,226	1,601,558	127,260			
Non-current assets	3,469,632	3,010,088	2,870,650			
Current liabilities	(274,187)	(357,265)	(909,989)			
Non-current liabilities	(1,343,392)	(485,216)	(8,031)			
Net assets	5,196,279	3,769,165	2,079,890			
Carrying amount of non-controlling interest	348,151	824,316	831,956		74,341	2,078,764
Revenue	1,550,241	958,647	17,363			
Profit for the year	758,501	357,433	(50,114)			
Total comprehensive income	758,501	357,433	(50,114)			
Profit allocated to non-controlling interest	50,820	78,171	(20,046)		(7,081)	101,864
Cash flows from operating activities	886,227	401,376	349,195			
Cash flows used in investing activities	(901,280)	(540,909)	(1,651,931)			
Cash flows (used in) from financing activities (dividends to non-controlling interest: nil)	(2)	135,104	1,237,948			
Net decrease in cash and cash equivalents	(15,055)	(4,429)	(64,788)			

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13 Investment in associates and joint ventures

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Associates					
At 1 January		5,920,082	5,568,957	7,867,433	7,578,674
Increase		19,248	288,759	19,248	288,759
Investment in subsidiaries from business acquisition	4	951,620	-	-	-
Share of net profit of investment equity method		1,089,896	839,029	-	-
Dividend income/Reduction of unit capitals in fund and trust		(935,139)	(776,663)	-	-
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		<u>7,045,707</u>	<u>5,920,082</u>	<u>7,886,681</u>	<u>7,867,433</u>
Joint ventures					
At 1 January		380,079	587,147	232,500	-
Increase		56,100	380,400	-	232,500
Investment in joint ventures from business acquisition	4	2,520,040	-	-	-
Share of net losses of joint ventures		(102,745)	(321)	-	-
Classification of investments to subsidiaries		-	(587,147)	-	-
At 31 December		<u>2,853,474</u>	<u>380,079</u>	<u>232,500</u>	<u>232,500</u>

For year ended 31 December 2018

Vimarn Suriya Co., Ltd.

In January 2018, the Company acquired investment in additional ordinary shares of Vimarn Suriya Co., Ltd. (“Vimarn Suriya”) of Baht 19.2 million at the same proportion of shareholding in accordance with the condition of Share Purchase Agreement.

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2018

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.

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.

Acquisition of Grand Canal Land Public Company Limited and its subsidiaries

On 12 September 2018, CPN Pattaya Co., Ltd. ("CPN Pattaya"), a subsidiary of the Company, has purchased ordinary shares of Grand Canal Land Public Company Limited and its subsidiaries according to note 4 of the financial statements.

CPN Retail Growth Leasehold REIT

At the Board of Directors' Meeting of the REIT manager held on 23 February 2018, the Board of Director approved the capital reduction of the Trust by reducing the value of the unit trusts of 0.2879 per unit, amounting to Baht 636.97 million which had paid the repayment from capital reduction to the Group in March 2018. The capital reduction was in accordance with the Trust established agreement.

GLAND Office Leasehold Real Estate Investment Trust

In October 2018, meetings of the Board of Directors of the REIT Manager of the Trust passed resolutions to approve capital reductions at rates of Baht 0.16 per unit trust, respectively, or a total of Baht 80.0 million. The Group received a result of these capital reductions in 2018.

The management of the Group determined that the Group has significant influence over GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT"), even though the Group holds 15% of shares and voting rights in GLANDRT. This is because GLAND REIT Management Co., Ltd. (a subsidiary) has been appointed as the REIT Manager of GLANDRT, which enables the Group to participate in GLANDRT's policy-making processes, and decisions about dividends or other distributions of GLANDRT. As a result, GLANDRT is deemed to be an associated company of the Group, and the Group recorded investment in the associated company in the consolidated financial statements using the equity method.

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Phenomenon Creation Co., Ltd. (Joint venture)

In April 2018, the extraordinary shareholders meeting of Phenomenon Creation Co., Ltd., approved a resolution to call for paid-up shares capital from Baht 290 million to Baht 350 million by calling paid-up shares of 40 million shares with a par value of Baht 1.5 per share totalling Baht 60 million. The Group invested in those increase shares 51% of Baht 30.6 million with the proportion of shareholding of the Group.

In July 2018, the extraordinary shareholders meeting of Phenomenon Creation Co., Ltd., approved a resolution to call for paid-up shares capital from Baht 350 million to Baht 390 million by calling paid-up shares of 40 million shares with a par value of Baht 1 per share totalling Baht 40 million. The Group invested in those increase shares 51% of Baht 20.4 million with the proportion of shareholding of the Group.

In August 2018, the extraordinary shareholders meeting of Phenomenon Creation Co., Ltd., approved a resolution to call for paid-up shares capital from Baht 390 million to Baht 400 million by calling paid-up shares of 40 million shares with a par value of Baht 0.25 per share totalling Baht 10 million. The Group invested in those increase shares 51% of Baht 5.1 million with the proportion of shareholding of the Group.

For year ended 31 December 2017

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.

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.

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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 2018, 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. (2017: Baht 991.5 million)

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Investment in associates and joint ventures as at 31 December 2018 and 2017 and dividend income from the investment for the years then ended were as follows:

Consolidated financial statements											
Ownership interest	Paid-up capital		Cost		Equity		Fair value of listed securities		Dividend income		
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
(in thousand Baht)											
Associates											
CPN Commercial Growth Leasehold Property Fund	25.0	25.0	4,394,382	4,394,382	1,098,598	582,380	569,822	1,621,232	1,525,238	105,103	102,169
CPN Retail Growth Leasehold REIT	26.7	26.7	29,653,383	29,653,383	6,480,076	5,208,737	5,062,447	15,058,303	13,109,581	808,146	-
CPN Retail Growth Leasehold Property Fund	-	-	-	-	-	-	-	-	-	-	-
(Dissolved on 4 December 2017)	35.0	35.0	880,020	825,025	308,007	304,387	287,813	-	-	-	674,494
Vimarn Suriya Co., Ltd.	15.0	-	4,558,489	-	951,620	950,203	-	884,591	-	-	-
GLAND Office Leasehold											
Real Estate Investment Trust											
Total					8,838,301	7,867,433	5,920,082			913,249	776,663
Joint ventures											
Phenomenon Creation Co., Ltd.	51.0	51.0	290,000	290,000	204,000	190,042	147,786	-	-	-	-
Synergistic Property Development Co., Ltd.	50.0	50.0	465,000	465,000	232,500	232,121	232,293	-	-	-	-
Bayswater Co., Ltd.	50.0		10,000	-	2,520,040	2,431,311	-	-	-	-	-
Total					2,956,540	2,853,474	380,079			-	-

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Investment in associates and joint ventures as at 31 December 2018 and 2017 and dividend income from the investment for the years then ended were as follows:

	Ownership interest		Paid-up capital		Cost		Fair value of listed securities		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(%)						(in thousand Baht)			
Associates										
CPN Commercial Growth										
Leasehold Property Fund	25.0	25.0	4,394,382	4,394,382	1,098,598	1,098,598	1,621,232	1,525,238	105,103	102,169
CPN Retail Growth										
Leasehold REIT	26.7	26.7	29,653,383	29,653,383	6,480,076	6,480,076	15,058,303	13,109,581	808,147	-
CPN Retail Growth										
Leasehold Property Fund										
<i>(Dissolved on 4 December 2017)</i>										
Vimarn Suriya Co., Ltd.	35.0	35.0	880,020	825,025	308,007	288,759	-	-	-	674,494
Total					7,886,681	7,867,433			913,250	776,663
Joint venture										
Synergistic Property Development Co., Ltd.	50.0	50.0	465,000	465,000	232,500	232,500	-	-	-	-

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Associates

The following table summarises the financial information of the associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

	CPN Retail Growth Leasehold Property Fund		CPN Commercial Growth Leasehold Property Fund		CPN Retail Growth Leasehold REIT		GLAND Office Leasehold Real Estate Investment Trust	
	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(in thousand Baht)</i>							
Revenue	-	3,147,578	643,327	611,600	4,927,347	378,353	701,498	-
Total comprehensive income (100%)	-	2,500,232	470,646	452,772	3,577,699	222,817	397,918	-
Group's share of total comprehensive income	-	667,312	117,661	113,193	954,888	59,470	59,688	-
Current assets	-	-	126,277	128,307	2,098,170	2,744,440	285,109	-
Non-current assets	-	-	5,062,369	5,097,584	44,751,613	44,331,612	5,669,194	-
Current liabilities	-	-	(32,654)	(29,746)	(785,185)	(1,683,894)	(159,374)	-
Non-current liabilities	-	-	(446,368)	(468,168)	(16,069,387)	(15,930,934)	(1,121,438)	-
Net assets (100%)	-	-	4,709,624	4,727,977	29,995,211	29,461,224	4,673,491	-
Unrealised from fair value measurement	-	-	(12,319)	(80,909)	(3,139,359)	(3,153,480)	1,153,616	-
	-	-	4,697,305	4,647,068	26,855,852	26,307,744	5,827,107	-
Group's share of net assets	-	-	1,174,325	1,161,767	7,167,827	7,021,537	874,066	-
Elimination of unrealised profit from sale of assets to associate	-	-	(591,945)	(591,945)	(1,959,090)	(1,959,090)	76,137	-
Carrying amount of interest in associates	-	-	582,380	569,822	5,208,737	5,062,447	950,203	-

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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 Associates		Immaterial Joint ventures	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Carrying amount of interests in immaterial associates and joint ventures	304,386	287,813	2,853,474	380,079
Group's share of:				
- Total comprehensive income	(42,341)	(946)	(102,745)	(321)

14 Investment properties

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Cost					
At 1 January		109,109,637	97,039,516	49,819,989	44,175,882
Additions		5,562,200	12,376,429	1,283,446	5,790,943
Assets acquired from business combination	4	22,973,114	-	-	-
Transfer from property, plant and equipment		407,851	-	-	-
Transfer to real estate projects under development		(896,760)	-	-	-
Transfer to leasehold right	16	(34,260)	-	-	-
Disposals / amortisation		(93,093)	(306,308)	(42,091)	(146,836)
Difference from financial statements		(79)	-	-	-
At 31 December		137,028,610	109,109,637	51,061,344	49,819,989
Depreciation					
At 1 January		24,137,422	20,339,135	7,912,333	6,054,310
Depreciation charge for the year		4,512,662	3,979,130	2,130,325	1,950,382
Disposals / amortisation		(33,931)	(180,843)	(11,292)	(92,359)
At 31 December		28,616,153	24,137,422	10,031,366	7,912,333
Net book value					
At 1 January 2017		-	76,700,381	-	38,121,572
At 31 December 2017 and At 1 January 2018		84,972,215	84,972,215	41,907,656	41,907,656
At 31 December 2018		108,412,457	-	41,029,978	-

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	Consolidated financial statements			
	2018		2017	
	Book value	Fair value	Book value	Fair value
	<i>(in million Baht)</i>			
Investment properties	108,412		84,972	
Leasehold rights (partial)	3,035		4,367	
Total	111,447	219,161	89,339	180,409

	Separate financial statements			
	2018		2017	
	Book value	Fair value	Book value	Fair value
	<i>(in million Baht)</i>			
Investment properties	41,030		41,908	
Leasehold rights (partial)	2,642		2,243	
Total	43,672	75,949	44,151	77,127

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

Type of financial asset	Valuation technique
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.

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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 |

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

Direct operating expenses

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Income-generating property	5,746,585	5,575,641	4,153,553	2,999,193
Vacant property	-	1,909	-	1,909
Total	5,746,585	5,577,550	4,153,553	3,001,102

On 19 April 2017, GLAND and Sterling Equity Co., Ltd. (a subsidiary) entered into agreements to lease the investment properties to GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT"). The details are as follows:

- The Company entered into an agreement to lease the office rental areas, conventional room areas, storage areas, common areas related to the aforesaid areas, parking areas and utility system of The Ninth Towers Grand Rama 9 Project ("The Ninth Tower Office Project") to GLANDRT for a period of 30 years. GLANDRT paid Baht 4,592.5 million to the Company for this leasehold right.
- Sterling Equity Co., Ltd. entered into an agreement to lease the office rental areas, common areas related to the aforesaid areas, parking areas and utility systems of Unilever House Grand Rama 9 Project ("Unilever House Office Project") to GLANDRT for a period of 17 years and 7 months. GLANDRT paid Baht 1,398.2 million to Sterling Equity Co., Ltd. for this leasehold right.

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15 Property, plant and equipment

Consolidated financial statements						
	Note	Land	Buildings and improvements	Furniture, fixtures, office and transportation equipment (in thousand Baht)	Asset under construction	Total
Cost						
At 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 and 1 January 2018		91,371	2,525,876	956,126	98,136	3,671,509
Additions		-	21,872	85,991	86,720	194,583
Asset acquire from business combination	4	25	60,550	26,690	7,034	94,299
Transfer to real estate under development		-	-	-	(38,106)	(38,106)
Transfer - net		-	22,476	18,399	(40,875)	-
Disposals / write off		-	(12,545)	(47,853)	663	(59,735)
Effect of movements in exchange rates		-	1	3	-	4
At 31 December 2018		91,396	2,618,230	1,039,356	113,572	3,862,554

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Consolidated financial statements				
	Land	Buildings and improvements	Furniture, fixtures, office and transportation equipment (in thousand Baht)	Asset under construction	Total
Depreciation					
At 1 January 2017	-	1,094,680	911,158	-	2,005,838
Depreciation charge for 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 and 1 January 2018	-	1,340,999	654,696	-	1,995,695
Depreciation charge for the year	-	185,393	84,056	-	269,449
Disposals / write off	-	(9,377)	(39,292)	-	(48,669)
At 31 December 2018	-	1,517,015	699,460	-	2,216,475
Net book value					
At 1 January 2017	91,371	1,298,731	336,298	69,448	1,795,848
Owned assets	-	-	956	-	956
Assets under finance leases	91,371	1,298,731	337,254	69,448	1,796,804
At 31 December 2017 and 1 January 2018	91,371	1,184,877	296,726	98,136	1,671,110
Owned assets	-	-	4,704	-	4,704
Assets under finance leases	91,371	1,184,877	301,430	98,136	1,675,814

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2018

Consolidated financial statements					
	Land	Buildings and improvements	Furniture, fixtures, office and transportation equipment (in thousand Baht)	Asset under construction	Total
At 31 December 2018					
Owned assets	91,396	1,101,215	336,509	113,572	1,642,692
Assets under finance leases	-	-	3,387	-	3,387
	91,396	1,101,215	339,896	113,572	1,646,079

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 2018 amounted to Baht 542 million (2017: Baht 575 million).

Separate financial statements				
	Buildings and improvements	Furniture, fixtures, office and transportation equipment (in thousand Baht)	Asset under construction	Total
Cost				
At 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 and 1 January 2018	259,986	701,353	44,436	1,005,775
Additions	5,290	57,784	47,405	110,479
Transfer - net	-	13,787	(13,787)	-
Disposals / write off	-	(37,933)	(659)	(38,592)
At 31 December 2018	265,276	734,991	77,395	1,077,662

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	Buildings and improvements	Separate financial statements Furniture, fixtures, office and transportation equipment (in thousand Baht)	Asset under construction	Total
Depreciation				
At 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 and 1 January 2018	175,229	467,218	-	642,447
Depreciation charge for the year	12,729	67,227	-	79,956
Disposals / write off	-	(36,915)	-	(36,915)
At 31 December 2018	187,958	497,530	-	685,488
Net book value				
At 1 January 2017	80,061	233,074	38,562	351,697
Owned assets	-	956	-	956
Assets under finance leases	80,061	234,030	38,562	352,653
At 31 December 2017 and 1 January 2018				
Owned assets	84,757	229,431	44,436	358,624
Assets under finance leases	-	4,704	-	4,704
	84,757	234,135	44,436	363,328
At 31 December 2018				
Owned assets	77,318	237,461	77,395	392,174
Assets under finance leases	-	-	-	-
	77,318	237,461	77,395	392,174

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2018 amounted to Baht 402 million (2017: Baht 416 million).

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

16 Leasehold rights

	<i>Note</i>	Consolidated financial statements	Separate financial statements
		<i>(in thousand Baht)</i>	
Cost			
At 1 January 2017		24,133,965	11,771,064
Additions		1,804,518	593,625
Deductions		(8,327)	(8,327)
At 31 December 2017 and 1 January 2018		25,930,156	12,356,362
Additions		3,828,504	460,644
Assets acquired from business acquisition	4	108,786	-
Transferred from property investment	14	34,260	-
Disposal/Amortisation		(29,103)	(18,801)
At 31 December 2018		29,872,603	12,798,205
Accumulated amortisation			
At 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 and 1 January 2018		14,723,099	6,254,913
Amortisation for the year		1,086,249	775,806
Deductions		(22,699)	(5,323)
At 31 December 2018		15,786,649	7,025,396
Net book value			
At 1 January 2017		10,647,331	6,274,495
At 31 December 2017 and 1 January 2018		11,207,057	6,101,449
At 31 December 2018		14,085,954	5,772,809

During the year 2018, additional leasehold rights were mainly as the Group entered into lease agreements with third parties for developing and constructing projects of shopping centres, department stores and office buildings by paying compensation for leasehold rights amounting to totalling Baht 3,708.22 million (2017: Baht 1,067.64 million) and also the acquisition of assets for use in shopping centres of Central World and CentralPlaza Lardprao totalling amount Baht 652.39 million. (2017: Baht 736.88 million)

In June 2018, the Group has entered into various land lease agreement with other parties which will be terminated in August 2055 and August 2060. These land will be used for project Central Plaza Rama 2 that the Group will pay for fee as stated in the land lease agreement.

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
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For the year ended 31 December 2018

Direct operating expenses

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

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Income-generating property	3,035,256	2,423,832	2,641,778	1,853,691

Land leasehold right as presented in the consolidated financial statements, were advance rental fees that a subsidiary paid to two related companies under a land lease agreement with a term of 43 years, which on 30 June 2050.

17 Rights for usage of assets

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
At 1 January 2017	594,079	413,713
Additions	7,240	7,240
At 31 December 2017 and 1 January 2018	601,319	420,953
At 31 December 2018	601,319	420,953
<i>Accumulated amortisation</i>		
At 1 January 2017	112,308	40,877
Amortisation charge for the year	37,069	33,208
At 31 December 2017 and 1 January 2018	149,377	74,085
Amortisation charge for the year	37,374	33,514
At 31 December 2018	186,751	107,599
<i>Net book value</i>		
At 1 January 2017	481,771	372,836
At 31 December 2017 and 1 January 2018	451,942	346,868
At 31 December 2018	414,568	313,354

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.

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

18 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Total	2,109,927	1,798,242	(210,048)	(375,299)
Set off of tax	(210,048)	(375,299)	2,245,531	375,299
Net deferred tax assets (liabilities)	1,899,879	1,422,943	2,035,483	-
Separate financial statements				
	Assets		Liabilities	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Total	1,011,549	947,366	(163,625)	(276,504)
Set off of tax	(163,625)	(276,504)	163,625	276,504
Net deferred tax assets	847,924	670,862	-	-

Central Pattana Public Company Limited and its Subsidiaries
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For the year ended 31 December 2018

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

Consolidated financial statements

(Charged) / credited to:

	At 1 January 2018	Profit or loss	Other comprehensive income (note 33) (in thousand Baht)	Acquisition through business Combinations (note 4)	At 31 December 2018
Deferred tax assets					
Trade accounts receivable (allowance for doubtful accounts)	6,191	(9,796)	-	12,205	8,600
Real estate under development (allowance for impairment)	-	(3,126)	-	6,411	3,285
Investment properties (allowance for impairment)	20,140	-	-	-	20,140
Investment properties (shopping building under consignment sale agreement)	260,381	43,486	-	53,961	357,828
Property, plant and equipment	-	(636)	-	636	-
Leasehold rights (difference from recognition of rental expenses by straight-line method)	387,707	8,196	-	-	395,903
Provisions for employee benefits	71,025	8,030	6,621	3,204	88,880
Deposits received from customers	803,463	(838)	-	4,017	806,642
Loss carry forward	69,822	18,570	-	59,112	147,504
Unrealised loss from investment	-	-	50,298	-	50,298
Others	179,513	43,403	-	7,931	230,847
Total	1,798,242	107,289	56,919	147,477	2,109,927
Deferred tax liabilities					
Gain on lease under finance lease	(375,299)	165,251	-	-	(210,048)
Real estate under development	-	-	-	(417,992)	(417,992)
Investment properties	-	8,918	-	(1,626,409)	(1,617,491)
Total	(375,299)	174,169	-	(2,044,401)	(2,245,531)
Net	1,422,943	281,458	56,919	(1,896,924)	(135,604)

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Consolidated financial statements				
	(Charged) / credited to:			
	At 1	Profit or loss	Other comprehensive income	At 31
	January	(note 33)		December
	2017	(in thousand Baht)		2017
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)	248,177	12,204	-	260,381
Leasehold rights (difference from recognition of rental expenses by straight-line-method)	360,767	26,940	-	387,707
Provisions for employee benefits	62,715	8,310	-	71,025
Deposits received from customers	806,359	(2,896)	-	803,463
Loss carry forward	46,988	22,834	-	69,822
Others	115,943	63,570	-	179,513
Total	1,665,384	132,858	-	1,798,242
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
Separate financial statements				
	(Charged) / credited to:			
	At 1	Profit or loss	Other comprehensive income	At 31
	January	(note 33)		December
	2018	(in thousand Baht)		2018
Deferred tax assets				
Trade accounts receivable (allowance for doubtful accounts)	3,875	2,566	-	6,441
Leasehold rights (difference from recognition of rental expenses by straight-line-method)	369,985	19,425	-	389,410
Provisions for employee benefits	61,600	7,894	3,470	72,964
Advance received from rental and service income	64,556	21,046	-	85,602
Deposits received from customers	413,322	8,789	-	422,111
Others	34,028	993	-	35,021
Total	947,366	60,713	3,470	1,011,549

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Separate financial statements (Charged) / credited to:		
	At 1 January 2018	Profit or loss (note 33) (in thousand Baht)	Other comprehensive income At 31 December 2018
Deferred tax liabilities			
Gain on lease under finance lease	(276,504)	59,746	-
Unrealised loss from investment	-	-	53,133
Total	(276,504)	59,746	53,133
Net	670,862	120,459	56,603
	Separate financial statements (Charged) / credited to:		
	At 1 January 2017	Profit or loss (note 33) (in thousand Baht)	Other comprehensive income At 31 December 2017
Deferred tax assets			
Trade accounts receivable (allowance for doubtful accounts)	670	3,205	-
Leasehold rights (difference from recognition of rental expenses by straight-line-method)	351,299	18,686	-
Provisions for employee benefits	53,311	8,289	-
Advance received from rental and service income	49,322	15,234	-
Deposits received from customers	403,044	10,278	-
Others	18,792	15,236	-
Total	876,438	70,928	-
Deferred tax liabilities			
Gain on lease under finance lease	(336,053)	59,549	-
Total	(336,053)	59,549	-
Net	540,385	130,477	-

Central Pattana Public Company Limited and its Subsidiaries
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For the year ended 31 December 2018

19 Other non-current assets

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Deposits	5	1,248,805	739,358	174,877	106,030
Advance payment for purchases of investment properties and leasehold rights		291,010	358,501	18,382	123,591
Withholding tax deducted at source		612,493	2,610	-	-
Guarantees for leasehold rights		248,168	600	-	-
Total		2,400,476	1,101,069	193,259	229,621

20 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Current					
Unsecured short-term loans from related parties	5	90,089	-	9,694,518	8,759,460
Short-term loans from other parties		-	14,229	-	-
Short-term loans from financial institutions					
- secured		520,000	-	-	-
- unsecured		7,428,005	-	3,700,000	-
		7,948,005	-	3,700,000	-
Current portion of long-term loans					
Current portion of long-term loans from financial institutions					
- secured		522,869	-	-	-
- unsecured		1,405,097	333,600	1,405,097	333,600
		1,927,966	333,600	1,405,097	333,600
Current portion of long-term loans from institutional investors					
- secured		-	40,477	-	-
- unsecured		1,000,000	1,900,000	1,000,000	1,900,000
		1,000,000	1,940,477	1,000,000	1,900,000
Total current portion of long-term loans		2,927,966	2,274,077	2,405,097	2,233,600
Total current		10,966,060	2,288,306	15,799,615	10,993,060

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		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Non-current					
Unsecured long-term loans from related parties	5	-	-	12,548,929	25,058,486
Other long term loans					
Long-term loans from financial institutions					
- secured		3,322,044	-	-	-
- unsecured		5,150,103	555,200	5,150,103	555,200
		8,472,147	555,200	5,150,103	555,200
Long-term loans from institutional investors					
- unsecured		11,050,000	6,700,000	7,200,000	6,700,000
Total other long term loans		19,522,147	7,255,200	12,350,103	7,255,200
Total non-current		19,522,147	7,255,200	24,899,032	32,313,686
Total		30,488,207	9,543,506	40,698,647	43,306,746

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Within one year	10,966,060	2,288,306	15,799,615	10,993,060
After one year but within five years	15,987,441	7,255,200	22,666,232	32,313,686
After five years	3,534,706	-	2,232,800	-
Total	30,488,207	9,543,506	40,698,647	43,306,746

As at 31 December 2018, secured loans of the Group were collateralised by the following assets:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Real estate projects under development	344	-	-	-
Investment property	14,663	2,170	-	-
Leasehold rights	108	-	-	-
Total	15,115	2,170	-	-

As at 31 December 2018 the Group had unutilised credit facilities totalling Baht 12,593 million (2017: Baht 10,274 million).

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Restricted bank deposits

Restricted bank deposits are fixed deposits which the Group had used to guarantee credit facilities.

Long-term loans from financial institutions

Central Pattana Public Company Limited

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. As at 31 December 2018, the Company had utilised Baht 500 million and already fully withdrawn total amount of loan.

In July 2018, the Group entered into a loan agreement not exceeding of Malaysian Ringgit 50 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal at maturity date with interest started from one month after the date of withdrawal. As at 31 December 2018, the Group had utilised Malaysian Ringgit 34.8 million.

In September 2018, the Company entered into a loan agreement not exceeding of Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 21 semi-annually instalments as at 31 December 2018. The Company had already fully withdrawn total amount of loan but has not started the repayment yet.

In November 2018, the Company entered into a loan agreement not exceeding of Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 14 semi-annually instalments. As at 31 December 2018 the Company had already fully withdrawn total amount of loan.

In November 2018, the Company entered into a loan agreement not exceeding of Baht 1,000 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 21 quarterly instalments. As at 31 December 2018, the Company had already fully withdrawn total amount of loan.

In December 2018, the Company entered into a loan agreement not exceeding of Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 14 semi-annually instalments. As at 31 December 2018, the Company had already fully withdrawn total amount of loan.

In December 2018, the Company entered into a loan agreement not exceeding of Baht 500 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 36 monthly instalments. The Company had already fully withdrawn total amount of loan.

Grand Canal Land Public Company Limited

In September 2010, the Group entered into a loan agreement not exceeding of Baht 500 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal at the last working day of June 2017. As at 31 December 2018, the Company had already fully withdrawn total amount of loan.

In March 2017, the Group entered into a loan agreement not exceeding of Baht 1,900 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in 39 quarterly instalments. As at 31 December 2018, the Company had already withdrawn Baht 800 million.

Central Pattana Public Company Limited and its Subsidiaries
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In September 2017, the Group entered into a loan agreement not exceeding of Baht 500 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the principle in the interest rate of 85 percent of the price to redeem a mortgage of real estates, which is not less than the value of Baht 127,500 per square meter and, in every six months, have the instalment not less than Baht 700 million. As at 31 December 2018, the Company had already withdrawn Baht 700 million.

Long-term loans from institutional investors

The Company issued Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debenture holders' representative as follows:

Central Pattana Public Company Limited

In October 2011, the Group issued through private placement Baht 300 million. The debentures have term to maturity of 10 years, maturing on 12 October 2021, and pay interest every six-month period.

In November 2014, the Company issued through private placement Baht 1,000 million. 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. The debentures have term to maturity of 6 years, 7 month and 10 days, maturing on 12 January 2022, and pay interest on maturing.

In August 2015, the Group issued through private placement Baht 800 million. The debentures have term to maturity of 7 years, maturing on 6 August 2022, and pay interest twice a year.

In December 2015, the Company issued through private placement Baht 800 million. 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. The debentures have term to maturity of 5 years, maturing on 16 December 2021, and pay interest twice a year.

In December 2015, the Company issued through private placement Baht 600 million. The debentures have term to maturity of 7 years, maturing on 16 December 2022, and pay interest twice a year.

In August 2018, the Company issued through private placement Baht 1,900 million. The debentures have term to maturity of 3 years, maturing on August 2021, and pay interest every six month period.

In August 2018, the Company issued through private placement Baht 1,000 million. The debentures have term to maturity of 7 years, maturing on August 2021, and pay interest every six month.

Grand Canal Land Public Company Limited

In November 2015, the Group issued through private placement Baht 100 million. The debentures have term to maturity of 5 years, maturing on 26 November 2020, and pay interest every quarter.

In September 2017, the Group issued through private placement Baht 1,100 million. The debentures have term to maturity of 3 years, maturing on 7 September 2020, and pay interest every six-month period.

Central Pattana Public Company Limited and its Subsidiaries
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In November 2017, the Group issued through private placement Baht 200 million. The debentures have term to maturity of 3 years, maturing on 9 November 2020, and pay interest each quarter.

In November 2017, the Group issued through private placement Baht 1,300 million. The debentures have term to maturity of 3.5 years, maturing on 9 May 2020, and pay interest every quarter.

In April 2018, the Group issued through private placement Baht 1,150 million. The debentures have term to maturity of 4 years, maturing on 9 May 2022, and pay interest each quarter.

The consolidated regarding the rights and obligations of the debenture issuer stipulate certain covenants which, among other things, require the Company to maintain a debt-to-equity ratio at the rate prescribed in the agreement.

Under the loan agreements and conditions regarding the rights and obligations of the debenture issuers stipulate certain covenants which, among other things, require the Group to maintain a debt-to-equity ratio at the rate prescribed in the agreement.

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Effective interest rates and reprising / maturing analysis

	Effective interest rate	Loans from-at floating interest rate	Consolidated financial statements			
			Loans from-at fixed interest rate and the periods in which those liabilities mature			
			Within 1 year	After 1 year but within 5 years	Total carrying value	Fair value
	(%)		<i>(in thousand Baht)</i>			
2018						
Loans from financial institutions and institutional investors	0.73 - 5.28	9,147,931	8,692,867	11,128,720	30,398,118	30,747,322
2017						
Loans from financial institutions and institutional investors	3.17	40,477	2,233,600	7,255,200	9,529,277	9,790,563
				-		
	Effective interest rate	Loans from-at floating interest rate	Separate financial statements			
			Loans from-at fixed interest rate and the periods in which those liabilities mature			
			Within 1 year	After 1 year but within 5 years	Total carrying value	Fair value
	(%)		<i>(in thousand Baht)</i>			
2018						
Loans from financial institutions and institutional investors	0.73 - 5.00	4,500,000	5,247,880	7,278,720	18,455,200	18,486,879
2017						
Loans from financial institutions and institutional investors	3.17	-	2,233,600	7,255,200	9,488,800	9,750,017
				-		

Central Pattana Public Company Limited and its Subsidiaries
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21 Trade accounts payables

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	5	290,426	49,616	168,192	61,567
Other parties		1,833,255	1,056,260	651,082	533,265
Total		2,123,681	1,105,876	819,274	594,832

22 Other payables

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Other accounts payable	5	617,376	973,925	371,766	383,338
Retention payable		2,567,251	2,049,228	1,104,990	1,054,919
Accrued operating expenses		1,995,872	1,464,688	854,260	748,815
Unearned service income		222,006	194,426	73,382	115,643
Accrued interest expense		227,022	155,012	185,531	155,011
Advance received from real estate customers		279,912	358,168	-	-
Others		270,609	122,025	53,220	83,220
Total		6,180,048	5,317,472	2,643,149	2,540,946

23 Provisions for employee benefits

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Statement of financial position				
Provisions for:				
Post-employment benefits				
- Defined benefit plan	461,329	358,622	364,281	308,000
Less current	(30,366)	(13,128)	(24,952)	(11,745)
Non-current provisions	<u>430,963</u>	<u>345,494</u>	<u>339,329</u>	<u>296,255</u>
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits				
Defined benefit plan	<u>56,736</u>	<u>47,081</u>	<u>41,667</u>	<u>41,446</u>
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	33,105	-	17,350	-

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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.

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
At 1 January		358,622	312,079	308,000	266,554
Increased from Business acquisition		16,744	-	-	-
Include in profit or loss:	30				
Current service cost		45,079	36,962	32,036	32,360
Interest on obligation		11,657	10,119	9,632	9,086
Included in other comprehensive income					
Actuarial loss		33,105	-	17,350	-
Benefit paid		(3,878)	(538)	(2,737)	-
At 31 December		461,329	358,622	364,281	308,000

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Demographic assumptions	(5,692)	-	(4,978)	-
Financial assumptions	(10,099)	-	(7,893)	-
Experience adjustment	48,896	-	30,221	-
Total	33,105	-	17,350	-

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Project of Central Pattana Group

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(%)		
Discount rate	3.2	3.3	3.2	3.3
Future salary growth	6.0 - 8.0	6.0 - 8.0	6.0 - 8.0	6.0 - 8.0

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

At 31 December 2018 and 2017, the weighted-average duration of the defined benefit obligation was 20 years.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
		(in thousand Baht)		
At 31 December 2018				
Discount rate (1% movement)	(47,045)	55,965	(37,450)	44,402
Future salary growth (1% movement)	53,552	(46,134)	42,498	(36,729)
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)

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.

Project of Grand Canal Land Group

Actuarial assumptions

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

	2018
	(%)
Discount rate	2.3 - 2.8
Future salary growth	6.0
Employee turnover	1.0 - 35.0

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

At 31 December 2018, the weighted-average duration of the defined benefit obligation was 10 years.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation in the consolidated financial statements by the amounts shown below.

	2018 Increase (in thousand Baht)	2017 Decrease
31 December 2018		
Discount rate (0.5% movement)	(656)	698
Future salary growth (1% movement)	1,408	(1,334)
Employee turnover (10% movement)	(1,340)	1,515

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.

On 13 December 2018, the Labour Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labour Protection Act. As a result of this change, the provision for retirement benefits as well as past service cost recognized in the consolidated and the separate financial statements increased by an amount of Baht 115.69 million Baht 93.03 million, respectively.

24 Share capital

	Par Value (in Baht)	2018 Number	2018 Baht (thousand share / thousand Baht)	2017 Number	2017 Baht
<i>Authorised</i>					
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	<u>4,488,000</u>	<u>2,244,000</u>	<u>4,488,000</u>	<u>2,244,000</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	0.5	4,488,000	2,244,000	4,488,000	2,244,000
At 31 December					
- ordinary shares	0.5	<u>4,488,000</u>	<u>2,244,000</u>	<u>4,488,000</u>	<u>2,244,000</u>

Share premium

Section 51 of the Public Companies Act B.E. 1992 requires companies to set aside share subscription money 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.

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25 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.

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26 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

Segment 2 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.

	Segment 1			Segment 2			Segment 3			Segment 4			Total
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
External revenue	28,068,406	26,057,214	1,849,088	1,630,597	<i>(in thousand Baht)</i>			1,097,195	2,761,736	-	33,887,063	28,785,006	
Inter-segment revenue	120,912	74,632	274	893	3,334	2,591	-	-	-	-	124,520	78,116	
Total segment revenue	28,189,318	26,131,846	1,849,362	1,631,490	1,211,167	1,099,786	2,761,736	-	34,011,583	28,863,122			
Segment profit (loss) before income tax	13,259,837	12,698,543	315,436	275,886	608,827	555,192	1,189,908	(6,708)	15,374,008	13,522,913			
Interest income	108,767	22,197	-	-	4,412	884	1,834	1	115,013	23,082			
Finance costs	420,404	363,326	-	-	472	529	5,457	4	426,333	363,859			
Depreciation and amortisation	5,680,892	5,058,185	30,831	49,379	180,835	200,254	13,177	6,705	5,905,735	5,314,523			
Share of profit of investments in associates and joint ventures	987,151	838,709	-	-	-	-	-	-	987,151	838,709			
Capital expenditure	7,590,802	14,450,055	198,605	55,385	129,701	47,898	45,569	20,544	25,272,021	14,573,882			
Reportable segment assets as at 31 December	122,612,675	96,214,468	238,982	215,647	1,273,596	1,401,620	7,806,553	3,629,513	131,931,806	101,461,248			
Reportable segment liabilities as at 31 December	36,002,680	31,116,704	14,200	18,917	178,866	334,321	765,513	608,610	36,961,259	32,078,552			

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

	2018	2017
	<i>(in thousand Baht)</i>	
Revenues		
Total revenue from reportable segments	34,011,583	28,863,122
Other revenue	2,685,672	5,832,278
	<u>36,697,255</u>	<u>34,695,400</u>
Elimination of inter-segment revenue	(124,520)	(78,116)
Consolidated revenue	<u>36,572,735</u>	<u>34,617,284</u>
Profit		
Total profit for reportable segments	<u>15,374,008</u>	<u>13,522,913</u>
Elimination of inter-segment profits	618,677	(88,242)
Unallocated amounts:		
- Other revenue	2,570,659	5,809,196
- Other expenses	(6,110,239)	(4,618,540)
- Share of profit of associates and joint venture	987,151	838,709
Consolidated profit before income tax	<u>13,440,256</u>	<u>15,464,036</u>
Assets		
Total assets for reportable segments	131,931,806	101,461,248
Other unallocated amounts		
- Investment	12,026,484	9,437,083
- Deferred tax assets	1,899,879	1,422,943
- Other assets	<u>15,849,657</u>	<u>8,252,316</u>
Consolidated total assets	<u>161,707,826</u>	<u>120,573,590</u>
Liabilities		
Total liabilities for reportable segments	36,961,259	32,078,552
Other unallocated amounts		
- Loans	30,488,208	9,543,506
- Deferred tax liabilities	2,035,483	-
- Other liabilities	<u>18,047,139</u>	<u>15,071,746</u>
Consolidated total liabilities	<u>87,532,089</u>	<u>56,693,804</u>

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	Reportable segment totals	Adjustment (in thousand Baht)	Consolidated totals
Other material items			
2018			
Interest revenue	115,013	-	115,013
Finance costs	426,333	-	426,333
Depreciation and amortisation	5,905,735	-	5,905,735
Capital expenditure	7,964,677	-	7,964,677
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

Geographical information

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

Major customers

Revenue from Central Department Store Group of the Group's 1 and 2 segments represents approximately Baht 1,429 million (2017: Baht 2,090 million) of the Group's total revenues.

27 Investment income

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Dividend income					
Subsidiaries and funds	11	-	-	3,619,129	5,895,663
Associates	13	-	-	913,249	776,662
Other parties		130	130	130	130
		<u>130</u>	<u>130</u>	<u>4,532,508</u>	<u>6,672,455</u>
Interest income					
Subsidiaries and funds	5	-	-	512,992	459,277
Associates and other related parties	5	94,111	3,485	5,437	3,485
Other parties		20,902	19,597	15,050	12,552
		<u>115,013</u>	<u>23,082</u>	<u>533,479</u>	<u>475,314</u>
Total		115,143	23,212	5,065,987	7,147,769

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28 Other income

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Expenses charged					
by tenants		959,072	928,690	446,456	440,673
Management income	5	767,035	491,780	927,984	791,184
Contribution income		221,245	219,369	210,587	204,010
Others		623,177	669,227	537,090	607,312
Total		2,570,529	2,309,066	2,122,117	2,043,179

29 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<i>(in thousand Baht)</i>				
Employee benefit expenses	2,648,084	2,421,100	2,283,443	2,070,660
Marketing expenses	1,263,515	1,107,873	947,028	730,517
Depreciation	511,778	491,399	229,648	195,408
Administrative expenses	360,517	346,013	255,691	207,663
Utility expense	495,383	184,987	130,298	91,019
Repair and maintenance	133,768	119,056	71,260	74,191
Others	701,248	439,511	300,793	296,418
Total	6,114,293	5,109,939	4,218,161	3,665,876

30 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Salaries, wages and bonus		3,096,575	2,813,091	2,445,151	2,216,329
Defined benefit plans	23	56,736	47,081	41,667	41,446
Defined contribution plans		56,681	52,484	54,396	43,265
Other welfare		433,541	299,330	188,432	160,154
Total		3,643,533	3,211,986	2,729,646	2,461,194

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.

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31 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
(in thousand Baht)					
Depreciation and amortisation	14,15,16,17	5,905,735	5,314,523	3,019,601	2,716,141
Utility expenses		5,204,444	3,655,956	3,393,182	2,287,962
Employee benefit expenses	30	3,643,533	3,211,986	2,729,646	2,461,194
Rental expenses		2,235,473	1,805,051	964,536	1,337,431
Cost of sale of real estate		1,565,355	-	-	-
Marketing expenses	29	1,263,515	1,107,873	947,028	730,517
Repair and maintenance		829,190	765,630	442,697	387,422
Consulting and other fees		482,363	451,103	321,183	273,893
Finance costs	32	426,333	363,859	1,184,608	1,049,098
Others		2,563,690	3,315,976	1,279,358	1,541,276
Total		24,119,631	19,991,957	14,281,839	12,784,934

32 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Interest expense					
- Related parties	5	-	14	852,770	601,337
- Financial institutions and institutional investors	5	546,354	484,065	364,438	479,612
Fee for financial institutions and institutional investors		120,024	17,760	23,648	16,964
Total finance costs		666,378	501,839	1,240,856	1,097,913
<i>Less</i> amounts included in the cost of assets:					
- Real estate projects under development	10	(90,318)	(20,095)	-	-
- Investment properties, property plant and equipment and leasehold rights		(149,727)	(117,885)	(56,248)	(48,815)
		(240,045)	(137,980)	(56,248)	(48,815)
Net		426,333	363,859	1,184,608	1,049,098

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33 Income tax

Income tax recognized in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Current tax expense					
Current year		2,338,360	2,036,685	965,973	839,325
Deferred tax expense					
Movements in temporary differences	18	(281,458)	(242,159)	(120,459)	(130,477)
Total		2,056,902	1,794,526	845,514	708,848

Income tax recognised in other comprehensive income

	Consolidated financial statements			Separate financial statements		
	2018	2018	2017	2018	2017	2017
	Before tax	Tax expense	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<i>(in thousand Baht)</i>						
Actuarial losses	33,105	(6,621)	26,484	-	-	-
Unrealised loss from investment	271,149	(50,298)	220,851	-	-	-
Total	304,254	(56,919)	247,335	-	-	-

Reconciliation of effective tax rate

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Tax rate (%)	(in thousand Baht)	Tax rate (%)	(in thousand Baht)
Profit before income tax expense		13,448,195		15,464,036
Income tax using the tax rate	20	2,689,639	20	3,092,807
Income not subject to tax		(577,138)		(1,202,652)
Additional deductible expenses for tax purposes		(144,400)		(136,192)
Expenses not deductible for tax purposes		29,028		11,460
Elimination in consolidated financial statement from income not subject to tax		59,773		29,103
Total	15	2,056,902	12	1,794,526

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	Separate financial statements			
	2018		2017	
	<i>Tax rate</i>	<i>(in thousand</i>	<i>Tax rate</i>	<i>(in thousand</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit before total income tax expense		8,408,691		10,646,322
Income tax using the tax rate	20	1,681,738	20	2,129,264
Income not subject to tax		(770,790)		(1,353,103)
Additional deductible expenses for tax purposes		(69,177)		(69,554)
Expenses not deductible for tax purposes		3,743		2,241
Total	12	845,514	7	708,848

34 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2018 and 2017 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	
	2018	2017	2018	2017
	<i>(in thousand Baht/thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	11,215,652	13,567,645	7,563,177	9,937,475
Number of ordinary shares outstanding	4,488,000	4,488,000	4,488,000	4,488,000
Basic earnings per share (in Baht)	2.50	3.02	1.69	2.21

35 Dividends

At the Company's annual general meeting of the shareholders of the Company held on 27 April 2018, the shareholders approved the distribution of dividend from 2017 operating result in the amount of Baht 1.40 per share, totalling Baht 6,283.1 million, and was paid to the shareholders in May 2018.

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.

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36 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.

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 5	Related parties
Note 20	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:

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		Consolidated financial statements	
	Note	2018	2017
		(in thousand Baht)	
Hong Kong Dollars			
Cash and cash equivalents	6	1,565	2,862
Other current receivable	9	6	6
Other current payable	22	(380)	(364)
Gross balance sheet exposure		1,191	2,504
Ringgit Malaysia			
Cash and cash equivalents	6	9,931	38,787
Other current receivables	9	202,009	130,113
Other non-current assets	19	4,942	856
Trade accounts payable	21	-	(365)
Contractor payable		(7,980)	(1,874)
Other current payables	22	(1,154,425)	(882,030)
Gross balance sheet exposure		(945,523)	(714,513)
Net exposure		(944,332)	(712,009)

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.

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.

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	Carrying amount	Consolidated financial statements			
Fair value			Total		
Level 1		Level 2 (in thousand Baht)		Level 3	
31 December 2018					
<i>Financial assets and financial liabilities measured at fair value</i>					
Equity securities available for sale	1,846,668	1,846,668	-	-	1,846,668
Investments in marketable unit trusts classified as available-for-sale investments	180,928	-	180,928	-	180,928
<i>Financial assets and financial liabilities not measured at fair value</i>					
Short-term loans from financial institutions	(7,948,005)	-	-	(7,945,994)	(7,945,994)
Current portion of loans from financial institutions and institutional investors	(2,927,966)	-	-	(2,959,681)	(2,959,681)
Loans from financial institutions and institutional investors	(19,522,147)	-	-	(19,841,647)	(19,841,647)
31 December 2017					
<i>Financial assets and financial liabilities measured at fair value</i>					
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
<i>Financial assets and financial liabilities not measured at fair value</i>					
Current portion of loans from financial institutions and institutional investors	(2,274,077)	-	-	(2,290,598)	(2,290,598)
Loans from financial institutions and institutional investors	(7,255,200)	-	-	(7,499,966)	(7,499,966)

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		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2018					
<i>Financial assets and financial liabilities measured at fair value</i>					
Equity securities available for sale	1,846,668	1,846,668	-	-	1,846,668
Investments in marketable unit trusts classified as available-for-sale investments	41,460	-	41,460	-	41,460
<i>Financial assets and financial liabilities not measured at fair value</i>					
Investment in funds	5,443,793	-	17,171,947	-	17,171,947
Short-term loans from financial institutions	(3,700,000)	-	-	(3,692,684)	(3,692,684)
Current portion of loans from financial institutions and institutional investors	(2,405,097)	-	-	(2,414,119)	(2,414,119)
Loans from financial institutions and institutional investors	(12,350,103)	-	-	(12,380,076)	(12,380,076)
31 December 2017					
<i>Financial assets and financial liabilities measured at fair value</i>					
Equity securities available for sale	4,040	4,040	-	-	4,040
Investments in marketable unit trusts classified as available-for-sale investments	2,939,076	-	2,939,076	-	2,939,076
<i>Financial assets and financial liabilities not measured at fair value</i>					
Investment in funds	5,454,433	-	14,758,034	-	14,758,034
Current portion of loans from financial institutions and institutional investors	(2,233,600)	-	-	(2,250,052)	(2,250,052)
Loans from financial institutions and institutional investors	(7,255,200)	-	-	(7,499,966)	(7,499,966)

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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).

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities available for sale	<i>Published price quotation in an active market at reporting date</i>	Not applicable	Not applicable
Investments in marketable unit trusts classified as available-for-sale investments	<i>Net Assets Value as at reporting date</i>	Not applicable	Not applicable

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.

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).

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- 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 CentralPlaza 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.

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 (partial) and Hilton Pattaya Hotel to the trust "CPNREIT" from the CPN Pattaya Co., Ltd., which is a subsidiary of the Company, 99.99 percent shareholding, as follows:

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.

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38 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Capital commitments				
Contracted but not provide for				
Buildings and facility systems	2,079	3,940	358	1,030
Non-cancellable operating lease commitments				
Within one year	847	834	157	146
After one year but within five years	3,780	3,535	689	648
After five years	40,580	32,187	6,228	6,426
Total	45,207	36,556	7,074	7,220
Other commitments				
Bank guarantees	780	911	424	470
Service agreement	47	-	-	-
Real estate projects under development				
agreements	1,100	1,193	-	-
Aval	1,790	-	-	-
Total	3,717	2,104	424	470

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

- 7% from the start of operations to the second year of operation
- 7.5% from the third to the fourth year of operation
- 8% from the fifth year of operation onwards

(b) 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.

(c) 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.

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- (d) 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).
- (e) 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. Subsequently, in 2018, the Group has extended the land lease agreements period and has entered into new land lease agreements with the third parties who were the existing lessors, with two plots. The first plot has a period of 37 years and 1 month ending in August 2055, and the second plot has a period of 42 years and 1 month ending in June 2060. Under the conditions of the agreement, the Group has to pay fees and monthly rental fees which will be increased every 5 years. The land lease agreements can be renewed for a further period of not less than 15 years by giving written notification three years in advance prior to expiration of the lease period as mutually agreed rate and compensation. At the expiration of the lease agreement the Group will transfer the ownership rights of shopping centre buildings and structures thereon to the lessors
- (f) The Group entered into three land lease agreements with the third parties for the construction of shopping 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.
- (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.

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In 2007, the Group entered into two memorandums of understanding comprising of the cancellation of certain land lease under the principal agreement with other party (“the lessor”) and appointment of its related company as the new lessee under conditions stipulated in a new agreement between the lessor and the related company for a period of 25 years commencing 1 January 2007 to 22 December 2032. The Group had obtained the compensation from the related company in acquisition of leasehold rights and compensation from cancellation of leasehold rights amounting to Baht 214.3 million and Baht 19.2 million, respectively. However, the Group still has commitment to pay rental fee to other party.

On 19 August 2011, the Group entered into the addition land with structure lease agreement from the principal agreement with other party. The lease agreement was for a period of 21 years and 7 months ending in December 2032. Under the conditions of the agreement the Group has to pay advance annual rental. The agreement can be renewed for another 30-year period by entering into the agreement in advance 3 years prior to the expiration of the lease agreement as mutually agreed rate and compensation. The lessor will give the Company a priority in renewing the lease agreement.

On 25 September 2013, the Group entered into the third memorandum of understanding to amend the lease agreement with other party by amending the renewal period from the 30 years to 38 years, after the completion of the lease period. The lease conditions will be the same, except that the rental charges would be divided into two phases, 8 years and 30 years, respectively, under the following conditions:

- The first 8-year phase, (from 31st year - 38th year), after the expiration date of the lease period, the lessee has to give a written notification for the renewing of the agreement. The lessor and the Group have to enter into a renewal agreement or a new lease agreement within 22 December 2029, by paying annual rental under the conditions as stated in the lease agreement.
- The 30-year phase, (39th - 68th year inclusive), after the expiration date of the first 8-year term, under the conditions of the lease agreement, the Group has to give a written notification for the renewing of the agreement to the lessor within 22 December 2035, in order to fix a new rate of the rental charge, also to enter into the renewal agreement, or the new lease agreement within 22 December 2037.

- (h) In 2005, the Group entered into a land lease agreement with a local company for the construction of shopping 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.

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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.
- (l) 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.
- (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.

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- (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 Litigation

- (a) In November 2015, the ownership of land under the Bangkok Dome project, amounting to Baht 7,350 million, was transferred to Bayswater Co., Ltd. (a joint venture) as the winner of an auction of assets of the debtor held by the official receiver under a bankruptcy case. However, the debtor under the bankruptcy case was petitioning the court seeking an order to cease the auction totally 3 cases. The Supreme Court dismissed the petitions for 2 cases. At present, there is a remaining case that the debtor and its 2 unsecured creditors (the creditors) filed petitions asking the Central Bankruptcy Court (the Court) to order the cancelation of the auction of assets and to cease compulsory execution while the petition seeking the cancelation of the auction of assets was being considered. The grounds for the petitions are that the official receiver approved the joint venture's successful bid at a price significantly lower than the market price. The Court issued an order to temporarily dispose of the case to await the Supreme Court's decision in a related case. Subsequently, the Supreme Court issued a judgement in the related case, and thus the case is being reconsidered by the Court. Subsequently, on 8 November 2018, the Court dismissed the petitions for such case.

In addition, in 2017 the joint venture was sued in civil cases by individuals petitioning the Civil Court to issue an order to have the joint venture register easement granting a right of way or an order declaring the disputed way a public way. In April 2018, the Civil Court dismissed the petitions. However, the individuals appealed the Civil Court judgement to the Court of Appeal. Currently, the case is being considered by the Court of Appeal.

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- (b) The Company was being sued by a company seeking compensation of approximately Baht 193.2 million the Appeal Court ruled in 2017 that the Company was not liable for such losses, but order the Company to pay back to the plaintiff rental and service retention with interest, totalling approximately Baht 2.6 million. However, the Company and the plaintiff lodged appeals against this ruling with the Supreme Court. As of the date of authorisation of the issuance of the financial statements, the case is still being considered by the Supreme Court. Although the final outcome of this lawsuit cannot be determined at this stage, the management is of the opinion that its resolution will not have any material effect on the financial statements as a whole.
- (c) A subsidiary was being sued by a company seeking compensation of approximately Baht 13.3 million for losses resulting from a rental agreement. On 24 August 2018, the Court of First Instance ordered the subsidiary to pay the plaintiff Baht 3.9 million together with interest at a rate of 7.5% per annum. The subsidiary and the plaintiff did not lodge appeal against the order of the Court of First Instance. As a result, the case was finalised.
- (d) A subsidiary was being sued by a company seeking compensation of approximately Baht 201.8 million for losses resulting from a breach of construction contract. Currently, the case is being considering by the Court of First Instance. Although the final outcome of this lawsuit cannot be determined at this stage, the Group management is of the opinion that its resolution will not have any material effect on the financial statements as a whole.

40 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.

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.

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41 Contingent liabilities

Guarantee

As at 31 December 2018, the Company guaranteed a loan agreement and bank guarantee of subsidiaries totalling Baht 780 million (2017: Baht 482 million).

42 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which relevant to the Group's operations are expected to have impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020

* TFRS - Financial instruments standards

(a) TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS – Financial instruments standards on the consolidated and separate financial statements.

43 Events after the reporting period

- 43.1 At the Board of Directors' Meeting of the Company held on 21 February 2019, it was resolved to approve the appropriation of dividend of Baht 1.1 per share, amounting to Baht 4,936.8 million.
- 43.2 In February 2019, the Company sold investment in Dusit Thani Public Company Limited totalling 42.5 million shares or 5% of issued and paid up share capital, totalling Baht 510 million at a price of Baht 12 per share. As a result, the proportion of shareholding decrease from 22.58% to 17.58% in accordance with the condition of the agreement.

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43.3 In February 2019, the Company paid to purchase the ordinary shares of Suanlum Property Co., Ltd., from Dusit Thani Public Company Limited of 0.26 million shares amounting to Baht 185.69 million. As a result, the proportion of shareholding increased from 63% to 78% in accordance with the condition of the agreement.

43.4 The Company issued Thai Baht denominated, name registered, unsubordinated and unsecured debentures without debenture holders' representative as follows:

In January 2019, the Company issued through private placement Baht 600 million. The debentures have term to maturity of 1 month and 5 days, maturing on 21 February 2019.

In January 2019, the Company issued through private placement Baht 1,600 million. The debentures have term to maturity of 3 months and 7 days, maturing on 23 April 2019.

In February 2019, the Company issued through private placement Baht 1,500 million. The debentures have term to maturity of 2 months and 26 days, maturing on 2 May 2019.

AUDITOR'S REMUNERATION

AUDITOR'S REMUNERATION

In 2018 audit fee out of the Company and its subsidiaries has been paid for audit firm that the auditor work for amounted to 8,470,000 Baht

OTHER SERVICE FEE

The Company has paid consulting service fee totaling 6,376,000 Baht to KPMG Phoomchai Business Advisory Ltd.



**PROPERTY
DEVELOPMENT
& INVESTMENT**
A Member of Central Group

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