



CENTRALPATTANA

Financial Report
2019

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 CPN Commercial Growth Leasehold Property Fund (CPNCG) and CPN Retail Growth Leasehold REIT (CPNREIT), and is the property manager and REIT manager.
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 1688 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

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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, 2019.



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 2019
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 2019, 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 2019 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
<p>On 12 September 2018, the Group has acquired the business of Grand Canal Land and its subsidiaries of Baht 10,163 million. During 2019, the Group had completed assessing the fair value of the net assets acquired. Therefore, the Group had controlling interest in the net identifiable net assets acquired and liabilities assumed at acquisition date in total amount of Baht 9,127 million.</p> <p>The accounting for the business acquisition requires judgements on identifying and determining the fair values of assets acquired and liabilities assumed from a business acquisition comparing with the consideration transferred to the seller. The Group engaged independent appraisers to determine the fair values of assets acquired and liabilities assumed from a business acquisition. Due to the complexity of valuation methodologies and key assumptions involved judgement by management, this is an area of focus for my audit.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - evaluating the qualifications and independence of the independent valuer of the Group; - evaluating the assessment by the Group of the identification of all the assets acquired and liabilities assumed. - evaluating the assets acquired and liabilities assumed from business acquisition by considering appropriateness of the prospective financial information, valuation methodologies and key assumptions including: forecasted growth rate and discounted rate. - testing mathematical calculation; and - considering the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards

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

Revenue recognition	
Refer to Note 3 (t) 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 of systems-based controls over the revenue process with assistance of KPMG IT specialists including testing of controls over system configuration of rental pricing data and billing process and the linkage to usage data that drives revenue recognition; - testing the recording of revenue from rental and service using a sampling basis and comparing contractual terms and conditions stipulated in the lease agreements with related documents including collection; and - assessing the adequacy of the disclosure in accordance with the related Thai Financial Reporting Standards.

Other Information

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

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

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

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
20 February 2020

Central Pattana Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2019	2018	2019	2018
(in Baht)					
Current assets					
Cash and cash equivalents	6	2,053,237,349	3,021,030,701	649,670,842	2,011,203,777
Current investments	7	1,001,374,831	45,520,769	537,300,004	45,520,769
Trade accounts receivable	5, 8	1,355,706,522	1,278,625,107	997,821,590	837,338,645
Other receivables	5	3,606,333,839	3,168,772,085	1,520,065,160	1,517,268,346
Real estate projects under development	9, 20	8,361,607,398	7,787,315,457	-	-
Short-term loans to related parties	5	-	-	32,176,407	26,016,862
Total current assets		16,378,259,939	15,301,264,119	3,737,034,003	4,437,348,399
Non-current assets					
Restricted bank deposits	20	1,000,000	11,222,888	-	-
Investments in subsidiaries and funds	10	-	-	28,022,904,562	27,620,971,880
Investments in associates	12	7,357,462,849	7,045,707,212	7,886,680,686	7,886,680,686
Investments in joint ventures	12	4,809,159,317	2,853,474,276	287,324,900	232,499,900
Long-term investments in related parties	7	1,557,186,704	1,908,857,872	1,490,936,704	1,842,607,872
Other long-term investments	7	199,188,980	172,924,286	3,092,280	3,138,420
Advance payment for shares	13, 37.2	2,309,616,000	-	2,309,616,000	-
Long-term loans to related parties	5	5,166,689,978	4,518,469,601	23,014,714,771	16,220,408,363
Investment properties	14, 20	104,503,446,798	108,412,457,321	35,146,877,316	41,029,978,438
Property, plant and equipment	15, 20	1,596,512,025	1,646,079,488	464,352,353	392,174,330
Goodwill	4, 16	1,036,491,639	1,036,491,639	-	-
Leasehold rights	17, 20	20,782,536,590	14,085,954,198	11,135,836,612	5,772,809,100
Rights for usage of assets	18	377,196,868	414,568,118	279,839,914	313,353,879
Guarantees for sublease property agreement	5	-	-	9,000,000,000	-
Deferred tax assets	30	2,226,344,210	1,899,878,950	993,043,494	847,923,688
Other non-current assets	5, 19	1,631,942,264	2,400,476,442	241,183,206	193,259,505
Total non-current assets		153,554,774,222	146,406,562,291	120,276,402,798	102,355,806,061
Total assets		169,933,034,161	161,707,826,410	124,013,436,801	106,793,154,460

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2019	2018	2019	2018
		(in Baht)			
Current liabilities					
Short-term loan from financial institutions	20	4,970,000,000	7,948,005,411	3,600,000,000	3,700,000,000
Trade accounts payable	5	1,694,324,758	1,782,454,493	865,741,094	819,274,548
Other payables	5, 21	5,563,848,687	6,180,048,570	2,441,619,212	2,643,149,705
Short-term loans from related parties	5, 20	125,761,218	90,089,296	9,861,746,046	9,694,518,039
Current portion of long-term loans	20	3,769,203,285	2,927,965,861	2,369,203,285	2,405,097,143
Current portion of advance received from rental and service income	5	1,842,399,134	1,720,153,388	232,756,104	153,923,137
Income tax payable		921,155,034	662,266,277	304,363,662	111,556,219
Contractor payables		2,188,285,081	3,272,005,023	689,210,346	1,095,938,949
Total current liabilities		21,074,977,197	24,582,988,319	20,364,639,749	20,623,457,740
Non-current liabilities					
Long-term loans from related parties	5, 20	692,724,451	-	8,105,328,264	12,548,928,693
Other long-term loans	20	24,470,814,350	19,522,147,447	19,480,968,144	12,350,102,857
Accounts payable for leasehold rights	5	-	418,017,667	-	418,017,667
Deferred tax liabilities	30	1,974,785,570	2,035,483,307	-	-
Advance received from rental and service income	5, 34	32,292,675,950	32,310,327,223	3,946,068,786	2,575,968,498
Deposits received from customers	5	8,027,661,841	7,692,519,955	3,760,455,004	3,602,225,127
Provisions for employee benefits	22	649,366,793	461,329,522	517,839,842	364,281,389
Provisions for decommissioning and restoration		287,057,469	275,479,220	287,057,470	275,479,219
Guarantees received for leasehold rights	5	707,362	233,796,711	-	233,088,889
Total non-current liabilities		68,395,793,786	62,949,101,052	36,097,717,510	32,368,092,339
Total liabilities		89,470,770,983	87,532,089,371	56,462,357,259	52,991,550,079

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 2019	31 December 2018	31 December 2019	31 December 2018
Liabilities and equity	<i>Note</i>				
<i>(in Baht)</i>					
Equity					
Share capital					
Authorised share capital (4,488,000,000 ordinary shares, par value at Baht 0.5 per share)		2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Issued and paid-up share capital (4,488,000,000 ordinary shares, par value at Baht 0.5 per share)		2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Premium on ordinary shares	23	8,558,557,850	8,558,557,850	8,558,557,850	8,558,557,850
Retained earnings					
Appropriated to legal reserve	24	224,400,000	224,400,000	224,400,000	224,400,000
Unappropriated		61,457,082,400	55,007,135,395	56,666,056,436	42,987,177,514
Other components of equity	24	(355,632,169)	(308,073,729)	(141,934,744)	(212,530,983)
Equity attributable to owners of the Company		72,128,408,081	65,726,019,516	67,551,079,542	53,801,604,381
Non-controlling interests	11	8,333,855,097	8,449,717,523	-	-
Total equity		80,462,263,178	74,175,737,039	67,551,079,542	53,801,604,381
Total liabilities and equity		169,933,034,161	161,707,826,410	124,013,436,801	106,793,154,460

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
Income					
Revenue from rent and services	5, 25	31,843,166,597	29,025,855,290	16,222,490,322	15,281,385,583
Revenue from food center services	5, 25	851,460,677	733,018,504	333,825,349	260,516,972
(Total revenue from food center services for consolidated financial statements - 2019: 2,169,480 thousand Baht and 2018: 1,849,088 thousand Baht)					
Total revenue from food center services for separate financial statements - 2019: 861,803 thousand Baht and 2018: 666,542 thousand Baht)					
Revenue from hotel operation	25	1,120,527,271	1,207,833,474	-	-
Revenue from sale of real estate	25	2,904,236,972	2,761,736,087	-	-
Investment income	5, 7	187,169,749	115,143,290	15,550,850,092	5,065,987,189
Other income	5, 26	1,683,415,423	1,613,078,936	2,028,045,346	1,676,614,636
Total income		38,589,976,689	35,456,665,581	34,135,211,109	22,284,504,380
Expenses					
Cost of rent and services	5	15,480,793,657	14,143,042,184	8,650,472,549	8,360,132,764
Cost of food center services	5	393,999,648	332,150,484	145,721,989	112,911,128
(Total cost of food center services for consolidated financial statements - 2019: 1,712,019 thousand Baht and 2018: 1,418,220 thousand Baht)					
Total cost of food center services for separate financial statements - 2019: 673,700 thousand Baht and 2018: 518,136 thousand Baht)					
Cost of hotel operation		378,503,657	423,005,969	-	-
Cost of sale of real estate		1,833,045,051	1,564,737,158	-	-
Administrative expenses	5	6,838,814,813	6,114,292,602	4,498,908,542	4,218,161,364
Finance costs	5, 29	811,468,750	426,332,773	1,183,462,145	1,184,608,506
Total expenses		25,736,625,576	23,003,561,170	14,478,565,225	13,875,813,762
Share of profit (loss)					
Associates	12	1,340,163,899	1,089,896,163	-	-
Joint ventures	12	(47,905,602)	(102,745,044)	-	-
Profit before income tax expense		14,145,609,410	13,440,255,530	19,656,645,884	8,408,690,618
Tax expense	30	(2,336,357,717)	(2,056,902,384)	(1,041,171,683)	(845,514,108)
Profit for the year		11,809,251,693	11,383,353,146	18,615,474,201	7,563,176,510

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

Central Pattana Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		(176,866,113)	28,946,025	-	-
Gains (losses) on remeasuring available-for-sale investments	30	71,566,027	(220,850,836)	70,596,239	(218,613,739)
Total items that will be reclassified subsequently to profit or loss		(105,300,086)	(191,904,811)	70,596,239	(218,613,739)
Items that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans	30	-	(26,483,672)	-	(13,880,572)
Other comprehensive income (expense) for the year, net of tax		(105,300,086)	(218,388,483)	70,596,239	(232,494,311)
Total comprehensive income for the year		11,703,951,607	11,164,964,663	18,686,070,440	7,330,682,199
Profit attributable to:					
Owners of the parent		11,738,404,950	11,215,652,867	18,615,474,201	7,563,176,510
Non-controlling interests	11	70,846,743	167,700,279	-	-
Profit for the year		11,809,251,693	11,383,353,146	18,615,474,201	7,563,176,510
Total comprehensive income attributable to:					
Owners of the parent		11,690,846,511	10,997,264,384	18,686,070,440	7,330,682,199
Non-controlling interests	11	13,105,096	167,700,279	-	-
Total comprehensive income for the year		11,703,951,607	11,164,964,663	18,686,070,440	7,330,682,199
Basic earnings per share (in Baht)					
	31	2.62	2.50	4.15	1.69

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

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

Year ended 31 December 2018												
	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	
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the Company</i>												
	-	-	-	-	-	-	-	-	-	497,153,491	497,153,491	
32	-	-	-	(6,283,087,790)	-	-	-	-	(6,283,087,790)	-	(6,283,087,790)	
	-	-	-	(6,283,087,790)	-	-	-	-	(6,283,087,790)	497,153,491	(5,785,934,299)	
<i>Changes in ownership interests in subsidiary</i>												
	-	-	-	(789,180,044)	-	-	-	-	(789,180,044)	(3,264,743,059)	(4,053,923,103)	
4, 10	-	-	-	-	-	-	-	-	-	8,970,842,992	8,970,842,992	
4	-	-	-	-	-	-	-	-	-	5,706,099,933	4,916,919,889	
	-	-	-	(789,180,044)	-	-	-	-	(789,180,044)	-	-	
<i>Total changes in ownership interests in subsidiary</i>												
	-	-	-	(7,072,267,834)	-	-	-	-	(7,072,267,834)	6,203,253,424	(869,014,410)	
Total transactions with owners, recorded directly in equity												
<i>Comprehensive income for the year</i>												
	-	-	-	11,215,652,867	-	-	-	-	11,215,652,867	167,700,279	11,383,353,146	
	-	-	-	(26,483,672)	28,946,025	(220,850,836)	-	(191,904,811)	(218,388,483)	-	(218,388,483)	
	-	-	-	11,189,169,195	28,946,025	(220,850,836)	-	(191,904,811)	10,997,264,384	167,700,279	11,164,964,663	
	-	-	-	-	-	-	-	-	-	-	-	
	2,244,000,000	8,558,557,850	224,400,000	55,007,135,395	(52,507,608)	(201,194,346)	(54,371,775)	(308,073,729)	65,726,019,516	8,449,717,523	74,175,737,039	

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

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

Consolidated financial statements												
	Note	Other components of equity									Total equity	
		Retained earnings		Other comprehensive income		Surplus on business combination of entities under common control		Total other components of equity		Equity attributable to owners of the parent		Non-controlling interests
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating foreign operations	Available-for-sale investments (in Baht)					
Year ended 31 December 2019												
		2,244,000,000	8,558,357,850	224,400,000	55,007,135,395	(52,507,608)	(201,194,346)	(54,371,775)	(308,073,729)	65,726,019,516	8,449,717,523	74,175,737,039
Transactions with owners, recorded directly in equity												
Distributions to owners of the Company												
		-	-	-	-	-	-	-	-	-	(24,316,290)	(24,316,290)
32		-	-	-	(4,936,595,279)	-	-	-	-	(4,936,595,279)	(78,732,000)	(5,015,327,279)
		-	-	-	(4,936,595,279)	-	-	-	-	(4,936,595,279)	(103,048,290)	(5,039,643,569)
Changes in ownership interests in subsidiary												
4, 10		-	-	-	(351,862,666)	-	-	-	-	(351,862,666)	(25,919,233)	(377,781,899)
4		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(351,862,666)	-	-	-	-	(351,862,666)	(25,919,233)	(377,781,899)
Total transactions with owners, recorded directly in equity												
		-	-	-	(5,288,457,945)	-	-	-	-	(5,288,457,945)	(128,967,523)	(5,417,425,468)
Comprehensive income for the year												
		-	-	-	11,738,404,950	-	-	-	-	11,738,404,950	70,846,743	11,809,251,693
		-	-	-	-	(119,124,467)	71,566,027	-	(47,558,440)	(47,558,440)	(57,741,646)	(105,300,086)
		-	-	-	11,738,404,950	(119,124,467)	71,566,027	-	(47,558,440)	11,690,846,510	13,105,097	11,703,951,607
Balance at 31 December 2019												
		2,244,000,000	8,558,357,850	224,400,000	61,457,082,400	(171,632,075)	(129,628,319)	(54,371,775)	(355,632,169)	72,128,408,081	8,333,855,097	80,462,263,178

The accompanying notes 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	Retained earnings		Other component of equity	Total equity
			Legal reserve	Unappropriated (in Baht)		
Year ended 31 December 2018						
Balance at 1 January 2018		2,244,000,000	8,558,557,850	224,400,000	41,720,969,366	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	32	-	-	(6,283,087,790)	-	(6,283,087,790)
Total transactions with owners, recorded directly in equity		-	-	(6,283,087,790)	-	(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	42,987,177,514	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 changes in equity

	Note	Separate financial statements				
		Issued and paid share capital	Share premium	Retained earnings		Other component of equity
				Legal reserve	Unappropriated (in Baht)	
Year ended 31 December 2019						
Balance at 1 January 2019		2,244,000,000	8,558,557,850	224,400,000	42,987,177,514	(212,530,983) 53,801,604,381
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company	32	-	-	-	(4,936,595,279)	- (4,936,595,279)
Total transactions with owners, recorded directly in equity		-	-	-	(4,936,595,279)	- (4,936,595,279)
Comprehensive income for the year						
Profit		-	-	-	18,615,474,201	- 18,615,474,201
Other comprehensive income		-	-	-	-	70,596,239 70,596,239
Total comprehensive income for the year		-	-	-	18,615,474,201	70,596,239 18,686,070,440
Balance at 31 December 2019		2,244,000,000	8,558,557,850	224,400,000	56,666,056,436	(141,934,744) 67,551,079,542

The accompanying notes 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	
	2019	2018	2019	2018
	(in Baht)			
Cash flows from operating activities				
Profit for the year	11,809,251,693	11,383,353,146	18,615,474,201	7,563,176,510
<i>Adjustments to reconcile profit (loss) to cash receipts (payment)</i>				
Real estate projects under development decrease from transfer to cost of sale	1,833,045,051	1,564,737,158	-	-
Depreciation and amortisation expenses	7,116,898,885	5,905,735,427	3,126,548,615	3,019,600,997
Investment income	(187,169,749)	(115,143,290)	(15,550,850,092)	(5,065,987,189)
Finance costs	811,468,750	426,332,773	1,183,462,145	1,184,608,506
(Reversal) bad debt and doubtful debts expenses	(15,505,315)	34,496,992	(5,797,787)	27,112,921
Write-off of investment properties	56,981,896	3,890,492	10,097,854	1,003,589
Gain on sale of long-term investments from related parties	(48,941,617)	(7,673,576)	(48,941,617)	(7,673,576)
Gain on sale of current investment	(6,773,793)	(16,403,862)	(6,449,377)	(16,403,862)
(Gain) loss on sales of assets	(1,651,964)	(3,504,608)	1,940,977	(2,548,062)
Recognition of advance received from rental and service income	(1,878,052,127)	(1,640,018,757)	(221,307,371)	(175,350,835)
Provision for employee benefits	201,691,121	56,735,638	161,729,789	41,667,732
Share of profit of associates and joint ventures	(1,295,501,982)	(987,151,119)	-	-
Unrealised loss on exchange rate	33,609,677	74,956	-	-
Gain on fair value adjustment of forward contracts	192,118,451	-	-	-
Tax expense	2,336,357,717	2,056,902,384	1,041,171,683	845,514,108
	20,957,826,694	18,662,363,754	8,307,079,020	7,414,720,839
Changes in operating assets and liabilities				
Trade accounts receivable	(61,576,100)	75,037,114	(154,685,158)	14,388,903
Other receivables	(557,802,649)	201,745,226	(371,507,438)	(116,385,138)
Real estate projects under development	(1,981,901,213)	(1,362,139,329)	-	-
Other non-current assets	614,300,093	(919,442,407)	(77,065,754)	(40,639,756)
Trade accounts payable	(200,036,003)	(143,915,969)	46,466,546	224,442,115
Other payables	(719,231,428)	599,208,342	(281,584,155)	21,999,978
Advance received from rental and service income	1,982,646,600	1,588,333,205	1,670,240,626	443,391,444
Deposits from customers received	335,141,886	606,140,848	158,229,877	281,497,922
Provisions for employee benefit paid	(13,653,850)	(3,878,100)	(8,171,333)	(2,737,300)
Net cash generated from operating	20,355,714,030	19,303,452,684	9,289,002,231	8,240,679,007
Taxes paid	(2,584,463,889)	(2,164,122,589)	(1,011,133,105)	(952,917,935)
Net cash from operating activities	17,771,250,141	17,139,330,095	8,277,869,126	7,287,761,072

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		Separate financial	
	statements		statements	
	For the year ended		For the year ended	
	31 December		31 December	
Note	2019	2018	2019	2018
	(in Baht)			
Cash flows from investing activities				
Interest received	41,234,236	20,982,103	619,243,022	529,621,744
Dividends received	1,053,942,734	913,380,125	15,069,828,537	5,970,034,001
(Increase) decrease in current investments	(947,371,608)	2,910,997,710	(483,696,024)	2,910,997,710
Acquisition of investments in subsidiaries, associates and joint ventures	(2,126,027,397)	(75,348,250)	(457,057,682)	(2,749,828,202)
Proceeds from redemption of investment units in funds	-	-	-	10,640,000
Advance payment for shares	(2,309,616,000)	-	(2,309,616,000)	-
Proceeds from capital reduction of investment in associate	-	21,889,868	300,000	-
Acquisition of other long-term investments in related parties	(98,298,426)	(2,147,314,306)	(73,125,000)	(2,147,314,306)
Acquisition of other long-term investments	-	(44,818,286)	-	-
Proceeds from sale of long-term investments in related parties	560,349,250	43,635,398	560,349,250	43,635,398
Loans to related parties	(551,299,493)	(56,202,750)	(17,041,303,614)	(7,983,564,480)
Proceeds from repayment of loans to related parties	-	62,650,403	10,238,284,064	9,109,875,642
Acquisition of investment properties	(6,282,122,909)	(4,811,278,120)	(948,387,196)	(844,454,465)
Acquisition of buildings and equipment	(211,075,777)	(182,411,550)	(136,837,230)	(101,245,974)
Acquisition of intangible assets	(3,676,086)	-	-	-
Acquisition of leasehold rights	(3,290,602,281)	(3,765,670,031)	(1,461,698,012)	(401,368,771)
Advance payment for purchase of investment properties and leasehold rights	(228,220,975)	(228,220,975)	(69,669,249)	(42,075,833)
Repayment of accounts payable for leasehold rights	(418,017,667)	(33,333,333)	-	(33,333,333)
Proceeds from sale of leasehold rights and investment properties	136,554,305	68,760,493	93,000,870	47,497,500
Proceeds from guarantees for sublease property agreement	-	-	(9,000,000,000)	-
Repayment of contractor payables	(1,221,972,671)	(1,436,670,415)	(908,341,308)	(999,183,741)
Acquisition of subsidiaries	4	(9,710,732,944)	-	-
Net cash from (used in) investing activities	(15,896,220,765)	(18,449,704,860)	(6,308,725,572)	3,319,932,890
Cash flows from financing activities				
Proceeds from restricted bank deposits	10,222,888	-	-	-
Interest paid	(966,667,807)	(610,576,876)	(1,124,478,908)	(1,235,887,039)
Dividends paid to owners of the Company	(5,014,931,019)	(6,282,449,843)	(4,936,199,019)	(6,282,449,843)
Proceeds from issuance of ordinary shares of subsidiary to non-controlling interests	(377,481,898)	497,153,491	-	-
Payments of change in ownership interests in subsidiaries without a change in control	(24,616,290)	(4,053,923,103)	-	-
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(2,709,608)	(820,863)	(1,852,916)	(820,863)
Proceeds from loans from related parties	1,228,327,392	75,807,000	7,037,890,496	10,361,121,600
Repayment of loans from related parties	(330,000,000)	-	(11,301,007,571)	(21,910,071,788)
Proceeds from loans from financial institutions and institutional investors	32,638,778,000	24,828,865,411	26,700,000,000	21,100,000,000
Repayments of loan from financial institutions and institutional investors	(29,826,878,273)	(12,569,734,572)	(19,705,028,571)	(12,133,600,000)
Net cash from (used in) financing activities	(2,665,956,615)	1,884,320,645	(3,330,676,489)	(10,101,707,933)

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	
Note	2019	2018	2019	2018
	(in Baht)			
Net increase (decrease) in cash and cash equivalents	(790,927,239)	573,945,880	(1,361,532,935)	505,986,029
Cash and cash equivalents at 1 January	3,021,030,701	2,418,138,796	2,011,203,777	1,505,217,748
Exchange differences on translating foreign operations	(176,866,113)	28,946,025	-	-
Cash and cash equivalents at 31 December	6	2,053,237,349	649,670,842	2,011,203,777

Non-cash transactions

During the year ending 31 December 2019 and 2018

The Group acquired investment properties, property, plant and equipment, and leasehold rights at total cost of Baht 7,834.0 million (2018: Baht 9,587.7 million), of which Baht 7,191.8 million was paid by cash (2018: Baht 8,759.3 million), capitalised borrowing costs relating to the acquisition of assets of Baht 82.3 million (2018: Baht 93.4 million), and Baht 584.3 million was outstanding contractor payables as at 31 December 2019 (2018: Baht 735.0 million).

The Company acquired investment properties, property, plant and equipment, and leasehold rights at total cost of Baht 2,263.8 million (2018: Baht 1,854.6 million), of which Baht 1,645.8 million was paid by cash (2018: Baht 1,347.1 million), capitalised borrowing costs relating to the acquisition of assets of Baht 6.1 million (2018: Baht 56.3 million), and Baht 600.4 million was outstanding contractor payables as at 31 December 2019 (2018: Baht 451.2 million).

The Group has real estate projects under development of at a total cost Baht 635.6 million (2018: Baht 2,595.4 million), of which Baht 457.8 million was paid by cash (2018: Baht 1,362.1 million), transferred from investment properties, property, plant, and equipment of 259.5 million (2018: 934.9 million), capitalised borrowing costs relating to the acquisition of assets of Baht 82.1 million (2018: Baht 90.3 million), and Baht 177.7 million was outstanding as trade accounts payable as at 31 December 2019 (2018: Baht 208.1 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 2019

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Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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 20 February 2020.

1 General information

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 centers for rent, providing utility services in shopping centers, providing food center services and providing property management consulting and corporate services. As at 31 December 2019 and 2018, details of the Company's subsidiaries, fund, associates and joint ventures entities are additionally given in note 5, 10, and 12. Details are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest 2019	2018
			(%)	
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	44.0
Central Pattana Rattanathibet Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
Central Food Avenue Co., Ltd.	(4)	Thailand	100.0	100.0
Central World Co., Ltd.	(1) (2) (4) (7)	Thailand	100.0	100.0
Central Pattana Rama 3 Co., Ltd.	(1) (4)	Thailand	100.0	100.0
Central Pattana Chonburi Co., Ltd.				
<i>(Under liquidation process)</i>	(1) (2) (4)	Thailand	100.0	100.0
CPN Residence Co., Ltd.	(10)	Thailand	100.0	100.0
Central Pattana Development Co., Ltd.	(1) (2) (4)	Thailand	100.0	100.0
CPN Global Co., Ltd.	(6)	Thailand	100.0	100.0
Central Pattana Nine Square Co., Ltd.	(1) (2)	Thailand	93.3	93.3
Central Pattana Khon Kaen Co., Ltd.	(1) (2) (4) (10)	Thailand	78.1	78.1
CPN Pattaya Co., Ltd.	(1) (2) (4) (7)	Thailand	100.0	100.0
CPN Learning Center Co., Ltd.				
<i>(Under liquidation process)</i>	(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	78.0	63.0
Phraram 4 Development Co., Ltd.	(6)	Thailand	90.0	90.0
Saladang Property Management Co., Ltd.	(1)	Thailand	100.0	86.0
CPN REIT Management Co., Ltd.	(11)	Thailand	100.0	100.0
Dara Harbour Co., Ltd.	(6)	Thailand	65.0	65.0
CPN Pattaya Hotel Co., Ltd.	(7)	Thailand	100.0	100.0
Chanakun Development Co., Ltd.	(1)	Thailand	100.0	100.0
CPN Village Co., Ltd.	(1)	Thailand	70.0	100.0
Common Ground (Thailand) Co., Ltd.	(2)	Thailand	-	100.0

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Name of entity	Type of business	Country of incorporation	Ownership interest	
			2019	2018
(%)				
<i>Indirect subsidiaries</i>				
Central Pattana Realty Co., Ltd	(2) (6)	Thailand	56.0	56.0
Central Pattana Nine Square Co., Ltd.	(1) (2)	Thailand	4.4	4.4
Bangna Central Property Co., Ltd.	(1) to (5)	Thailand	99.9	99.9
Global Retail Development & Investment Limited	(6)	Hong Kong	100.0	100.0
Global Commercial Property Limited	(6)	Hong Kong	100.0	100.0
CPN Complex Co., Ltd.	(6)	Thailand	99.9	99.9
CPN City Co., Ltd.	(6)	Thailand	99.9	99.9
C.S. City Co., Ltd.	(1)	Thailand	100.0	100.0
CPN Residence Management Co., Ltd.	(12)	Thailand	100.0	100.0
CPN Ventures Sdn. Bhd.	(8)	Malaysia	100.0	100.0
Central Plaza i-City Real Estate Sdn. Bhd.	(6)	Malaysia	60.0	60.0
Grand Canal Land Public Company Limited	(1) (2) (3) (4) (8)	Thailand	67.5	67.5
Belle Development Co., Ltd.	(1) (10)	Thailand	79.6	79.6
Belle Assets Co., Ltd.	(6)	Thailand	100.0	100.0
Sterling Equity Co., Ltd.	(1)	Thailand	100.0	100.0
G Land Property Management Co. Ltd.	(1)	Thailand	100.0	100.0
Rama 9 Square Co., Ltd.	(1)	Thailand	93.1	93.1
Rama 9 Square Hotel Co., Ltd.	(7)	Thailand	99.9	99.9
GLAND REIT Management Co., Ltd.	(11)	Thailand	100.0	100.0
Ratchada Assets Holding Limited	(6)	Thailand	100.0	100.0
Chipper Global Limited	(6)	British Virgin Islands	100.0	-
<i>Funds</i>				
Thai Business Fund 4	(6)	Thailand	100.0	100.0

Type of business

- (1) Construction of office buildings and shopping centers for rent
- (2) Provision of utility services in shopping centers
- (3) Construction of residential and shop houses for rent
- (4) Food center services
- (5) Operator of play land and water theme park on shopping centers
- (6) Investment in real estates
- (7) Hotel business
- (8) Property management consulting and corporate services
- (9) Training service and personnel development
- (10) Real estate business for sales of land and houses and condominium units
- (11) Management of a real estate investment trust
- (12) Management of condominium juristic person and housing estate juristic person

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initial applied TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which replaces TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS 11”) and related interpretations. The details of accounting policies are disclosed in note 3 (t).

The Group has adopted TFRS 15 using retrospective approach, hence, the Group has applied all requirements of TFRS 15 to each comparative period presented in the consolidated and separate financial statements.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group assessed that it has significant risks and rewards of ownership of the goods. This change results in similar decreases in revenue from food center services, and cost of food center services in the consolidated financial statements of comprehensive income for the year ended 31 December 2019 of Baht 1,318 million (2018: Baht 1,117 million) and in the separate financial statements of comprehensive income for the year ended 31 December 2019 of Baht 528 million (2018: Baht 406 million), respectively. Such change in accounting policy has no material impacts on the financial statements.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 38.

(b) Functional and presentation currency

The financial statements are prepared in Thai Baht, which is the Company’s functional currency.

(c) 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 the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Note 3(w), 30	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
Note 3(r)	Recognition and measurement of provisions; and
Note 3(q), 22	Measurement of defined benefit obligations: key actuarial assumptions
Note 4	Acquisition of business; and
Note 16	Impairment test of goodwill: key assumptions underlying recoverable amounts;

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.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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

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

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

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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*

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

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

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.

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.

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.

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.

Central Pattana Public Company Limited and its Subsidiaries

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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 equipment	5 - 15 years

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

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

(j) *Goodwill*

Goodwill arises upon the acquisition of subsidiaries. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

(k) *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

(l) *Right for usage of assets*

Right for usage of assets are stated at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is calculated over the cost of the assets, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives 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.

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Notes to the financial statements
For the year ended 31 December 2019

(m) Impairment

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

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.

(n) Interest-bearing liabilities

Interest-bearing liabilities are stated at cost.

(o) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

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(p) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(q) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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

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

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) 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.

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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.

(s) Measurement of fair value

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 in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

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

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

(t) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Rental

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

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Service

Service income is recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates. Service income is recognised over time when services are rendered to customer.

Food center services

Revenue from food center services is recognised upon delivery of goods to customers. Where the Group acts as an agent in food center services, gross revenue consists of the Group's revenue together with the revenue accruing to the principals for which the Group acted as an agent.

Sale of real estate

Sale of real estate development project is recognised when the construction works are completed and the ownership has been transferred to buyers.

Investments

Revenue from investments dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(u) Finance costs

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

(v) Lease payments

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

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

Determining whether an arrangement contains a lease

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

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

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(w) 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.

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.

(x) 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.

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(y) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(z) 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 goodwill is attributable mainly 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 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.

TFRS required Management to make preliminary assessment of the fair values of the assets, liabilities and contingent liabilities specified at the acquisition date. The Group hired an independent appraiser to determine the said fair value of assets and liabilities acquired during the measurement period, which must not exceed one year from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the valuation of net assets of Grand Canal Land which the Group acquired on 12 September 2018 was completed during 2019.

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

	Fair value as reported	New fair value (in million Baht)	Differences
Assets			
Cash and cash equivalents	452	452	-
Trade and other receivables	777	777	-
Real estate projects under development	3,150	3,409	259
Long-term loan	4,304	4,304	-
Investment in associate	952	952	-
Investment in joint venture	2,520	2,526	6
Long-term investment in related parties	440	440	-
Investment properties	22,973	22,708	(265)
Property, plant, and equipment	499	499	-
Leasehold rights	109	109	-
Deferred tax assets	147	147	-
Other non-current assets	38	38	-
Liabilities			
Trade and other payables	(1,585)	(1,585)	-
Borrowings	(8,602)	(8,602)	-
Advanced received income	(5,756)	(5,756)	-
Income tax payables	(32)	(32)	-
Deferred tax liabilities	(2,044)	(2,044)	-
Other non-current liabilities	(244)	(244)	-
Total identifiable net assets	18,098	18,098	-
<i>Less Non-controlling interests (49.57%)</i>	<i>(8,971)</i>	<i>(8,971)</i>	-
Total identifiable net assets received	9,127	9,127	-
Goodwill arising from the business acquisition	1,036	1,036	-
Purchase consideration transferred	10,163	10,163	-
Net cash acquired with the subsidiaries	452	452	-
Cash paid	(10,163)	(10,163)	-
Net cash outflow	(9,711)	(9,711)	-

The fair value of assets acquired and liabilities assumed from the business acquisition by an independent appraiser completed during the year 2019 and the Group adjusted the fair value of assets acquired and liabilities assumed in accordance with the appraisal report. Therefore, the value of the business acquired, including the allocation of the purchase price, was adjusted during the year 2019 that were not material impact to the consolidated statement of financial position, income and the consolidated earnings per share for the year ended 31 December 2019 and 2018.

Central Pattana Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

(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 in the financial statements for the year ended 31 December 2018.

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, 10 and 12. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Central Holding Co., Ltd.	Thailand	Major shareholder, some common directors
Central Department Store Co., Ltd.	Thailand	Some common directors
Hang Central Department Store Co., Ltd.	Thailand	Some common directors
Central Trading Co., Ltd.	Thailand	Some common directors
Central Super Store Co., Ltd.	Thailand	Some common directors
Power Buy Co., Ltd.	Thailand	Some common directors
CRC Sport Co., Ltd.	Thailand	Some common directors
CRC Power Retail Co., Ltd.	Thailand	Some common directors
B2S Co., Ltd.	Thailand	Some common directors
Office Club (Thai) Co., Ltd.	Thailand	Some common directors
Earth Care Co., Ltd.	Thailand	Some common directors
CR Chiangmai (Thailand) Co., Ltd.	Thailand	Some common directors
Central Garment Factory Co., Ltd.	Thailand	Some common directors
Samsonite (Thailand) Co., Ltd.	Thailand	Some common directors
Central Plaza Hotel Public Company Limited	Thailand	Some common directors
Central World Hotel Co., Ltd.	Thailand	Some common directors
Central Restaurant Group Co., Ltd.	Thailand	Some common directors
Central Food Retail Co., Ltd.	Thailand	Some common directors
Food Gimmick Co., Ltd.	Thailand	Some common directors
Sakura Restaurant Co., Ltd.	Thailand	Some common directors
Food Excellent Co., Ltd.	Thailand	Some common directors
Central International Development Co., Ltd.	Thailand	Some common directors
Robinson Public Company Limited	Thailand	Some common directors
Central Watson Co., Ltd.	Thailand	Some common directors
F&D International Co., Ltd.	Thailand	Some common directors
Food Festival Co., Ltd.	Thailand	Some common directors
Food Millennium Co., Ltd.	Thailand	Some common directors

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Central Retail Corporation Co., Ltd.	Thailand	Some common directors
Fairy Plaza Co., Ltd.	Thailand	The shareholder of subsidiaries
Siam Retail Development Co., Ltd.	Thailand	Held by a subsidiary
Ayudhaya Agrocity Co., Ltd.	Thailand	Held by a subsidiary
Square Ritz Plaza Co., Ltd.	Thailand	Held by a subsidiary and some 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
Zen Corporation Group Public Company Limited	Thailand	Held by the Company and some common directors
Mitsubishi Estate Asia Pte. Ltd.	Singapore	Held by a subsidiary
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

Transactions	Pricing policies
Revenue from rent and services	Market prices which are subject to location, lease space, lease form, lease period and type of lease
Revenue from food center services	Market prices
Management income and other income	The rate being charged by other parties in the business
Interest income/interest expense	As contractually agreed interest rate
Dividend income	As declared payment
Cost of rent and services	Market prices
Cost of food center services	Market prices
Administrative expenses	At actual amount
Management fee	As mutually agreed in contract
Key management personnel	As defined by the nomination and remuneration committee which does not exceed the amount approved by the shareholders

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Notes to the financial statements
For the year ended 31 December 2019

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries and funds				
Revenue from rent and services	-	-	115,198	81,513
Management income	-	-	527,950	315,062
Interest income	-	-	602,922	512,992
Dividend income	-	-	13,933,257	3,619,129
Other income	-	-	255,656	269,926
Cost of rent and services	-	-	245,523	233,132
Cost of food center services	-	-	12	4
Administrative expenses	-	-	21,784	21,675
Interest expense	-	-	490,110	852,770
Associates				
Revenue from rent and services	1,455,916	1,260,732	57,492	36,688
Management income	678,311	715,728	497,970	570,048
Revenue from food center services	3	1	-	-
Interest income	4,904	5,437	4,904	5,437
Dividend income	-	-	975,415	913,250
Other income	73,822	28,234	23,584	27,379
Cost of rent and services	111,302	37,894	1,845	2,801
Cost of food center services	43,877	37,987	-	-
Administrative expenses	396,583	429,355	59,686	50,629
Joint ventures				
Revenue from rent and services	14,622	649	14,586	649
Management income	1,260	320	1,260	320
Interest income	270,348	88,674	2,446	-
Other income	196	320	196	310
Administrative expenses	14	-	-	-
Other related parties				
Revenue from rent and services	5,136,816	4,611,970	2,917,884	2,614,954
Revenue from food center services	352	1,759	35	70
Management income	-	2,819	-	-
Dividend income	25,405	-	25,405	-
Other income	28,705	201,180	22,678	91,832
Cost of rent and services	1,025,256	981,321	992,151	945,931
Cost of food center services	10,184	5,519	1,235	223
Administrative expenses	172,105	162,787	133,997	130,832
Management fees	234,345	215,917	228,421	206,310
Key management				
Key management personnel				
Short-term benefits	309,911	240,914	270,089	229,549
Long-term benefits	8,236	4,866	8,236	4,866
Total key management personnel	318,147	245,780	278,325	234,415

Central Pattana Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable - related parties</i>				
Subsidiaries and funds	-	-	138,151	55,176
Associates	152,725	75,554	102,873	52,249
Joint ventures	14,067	803	13,433	803
Other related parties	178,323	239,455	95,946	137,536
Total	345,115	315,812	350,403	245,764
<i>Other receivables</i>				
<i>Accrued income</i>				
Associates	78,528	106,420	10,184	-
Joint ventures	2,220	129,956	2,220	-
Total	80,748	236,376	12,404	-
<i>Accrued dividend income</i>				
Subsidiaries and funds	-	-	-	135,622
<i>Other receivables</i>				
Associates	950	37,055	-	-
Joint ventures	1	-	1	-
Total	951	37,055	1	-
<i>Prepaid expenses</i>				
Other related parties	10,800	117,336	10,800	11,431
<i>Other non-current assets</i>				
<i>Deposit</i>				
Associates	987,905	991,025	-	-

Loans to related parties

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

	Interest rate	Consolidated financial statements			
	At	At			At
	31 December	1 January	Increase	Decrease	31 December
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>		
<i>Long-term loans</i>					
2019					
Associates	5.01	75,215	150,905	(3,772)	222,348
Joint ventures	6.50, MLR-0.5%, BIBOR+1.3%	4,443,254	505,128	(4,040)	4,944,342
Total		4,518,469			5,166,690
2018					
Associates	5.20	134,319	10,589	(69,693)	75,215
Joint ventures	6.50, MLR-0.5%	-	4,443,565	(311)	4,443,254
Total		134,319			4,518,469

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For the year ended 31 December 2019

	Interest rate		Separate financial statements		
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			(in thousand Baht)		
Short-term loans					
2019					
Subsidiaries and funds	2.63	26,017	6,888	(729)	32,176
2018					
Subsidiaries and funds	2.49	1,281,303	3,218	(1,258,504)	26,017
Long-term loans					
2019					
Subsidiaries and funds	2.63	16,145,193	17,318,796	(10,843,902)	22,620,087
Associates	5.01	75,215	150,905	(3,772)	222,348
Joint ventures	MLR-0.5%, BIBOR+1.3%	-	172,280	-	172,280
Total		16,220,408			23,014,715
Long-term loans					
2018					
Subsidiaries and funds					
Associates	2.49, 3.25	15,953,210	8,483,445	(8,291,462)	16,145,193
Joint ventures	5.20	134,319	10,589	(69,693)	75,215
Total		16,087,529			16,220,408

Loans to subsidiaries, funds, associates, and joint ventures are unsecured and denominated in Thai Baht and carry interests at the rate as stipulated in the agreements.

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
Trade accounts payable - related parties				
Subsidiaries and funds	-	-	93,192	24,025
Associates	26,238	43,715	23,952	16,855
Other related parties	198,084	246,711	156,053	127,312
Total	224,322	290,426	273,197	168,192
Other payables - related parties				
Associates	10,253	474	6,853	-
Accounts payable for leasehold right				
Other related parties	-	266,667	-	266,667
Unearned rental income				
Subsidiaries and funds	-	-	43,195	48,752
Associates	24,466,325	25,554,184	23,012	24,134
Total	24,466,325	25,554,184	66,207	72,886
Less Current portion of unearned rental income	(1,187,341)	(1,192,297)	(8,634)	(8,207)
Net	23,278,984	24,361,887	57,573	64,679

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	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Deposits received from customers</i>				
Subsidiaries and funds	-	-	11,415	11,415
Joint ventures	6,211	-	1,907	-
Other related parties	865,260	811,242	422,865	398,777
Total	871,471	811,242	436,187	410,192
<i>Guarantees for leasehold rights</i>				
Other related party	408	233,497	-	233,089

Loans from related parties

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

	Interest rate		Consolidated financial statements		
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			<i>(in thousand Baht)</i>		
<i>Short-term loans</i>					
2019					
Related party	3.06	90,089	39,369	(3,697)	125,761
2018					
Related party	3.25	14,229	77,449	(1,589)	90,089
<i>Long-term loan</i>					
2019					
Related party	2.63	-	692,724	-	692,724
	Interest rate		Separate financial statements		
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			<i>(in thousand Baht)</i>		
<i>Short-term loans</i>					
2019					
Subsidiaries and funds	2.63	9,694,518	6,206,359	(6,039,131)	9,861,746
2018					
Subsidiaries and funds	1.50, 2.49	8,759,460	8,688,971	(7,753,913)	9,694,518
<i>Long-term loans</i>					
2019					
Subsidiaries	2.63	12,548,929	1,301,505	(5,745,106)	8,105,328
2018					
Subsidiaries	2.49	25,058,486	2,501,178	(15,010,735)	12,548,929

Loans from subsidiaries, funds and related parties are unsecured and denominated in Thai Baht and carry interests at the rate as stipulated in the agreements.

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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	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Non-cancellable operating lease commitments				
Within 1 year	1,391	869	1,156	1,104
1 - 5 years	6,238	4,043	5,237	4,984
After 5 years	14,021	12,417	13,218	14,314
Total	21,650	17,329	19,611	20,402

Operating lease

Thai Business Fund 4

On 18 December 2002, Thai Business Fund 4 (“TBF4”) entered into a land and structure lease agreement, for the location of Central World Plaza with other party. The lease agreement was for a period of 30 years ending in December 2032.

On 23 December 2002, TBF4 (“the lessor”) entered into a sublease utility system contract and a property management contract with Central World Co., Ltd. (“Central World”). The lease agreement was for a period of 30 years ending in December 2032. Under the conditions of the sublease contracts, Central World had to make a lump sum payment of leasehold right in advance of Baht 80 million and monthly rental as agreed by both parties, whereby the Company will be a guarantor. In addition, TBF4 entered into a property management contract with Central World and had to pay property management fee as stated in the contract.

According to the 7th TBF4’s unitholders’ resolution on 29 September 2011 and the 9th TBF4’s unitholders’ resolution on 30 November 2011, unitholders had an unanimous resolution to change the sublessee from Central World to the Company by cancelling a sublease utility system contract and a property management contract with Central World.

Consequently, TBF4 terminated a sublease utility system contract and a property management contract with Central World on 1 December 2011 and TBF4 had obligation to pay compensation in connection with contract termination in amount of Baht 2,219 million for investment in utility system and development of parking building by Central World. The Company agreed to pay for the obligation on behalf of TBF4 in connection with the contract termination in order to sublease utility system contract and become a property manager for Central World project instead.

On 1 December 2011, the Company entered into a sublease utility system contract with TBF4. The contract would cover the period from 1 December 2011 to December 2032. The Company has to make the lump sum payment of leasehold right in advance of Baht 56.1 million and monthly rental of Baht 20 million as stated in the contract.

According to the 4th TBF4’s unitholders’ resolution on 7 September 2012, the unitholders had an unanimous resolution to terminate the sublease office building contract with Central World and approved to enter into new sublease office building contracts with Property Fund Type I and the Company and Central World and amended the property management contract with the Company.

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For the year ended 31 December 2019

As a result, on 14 September 2012, TBF4 terminated the sublease office building contract of The Offices at Central World with Central World. TBF4 had obligation to pay compensation in amount of Baht 3,530.3 million for investment in system and development of office building by Central World in connection with the contract termination. TBF4 had entered into a sublease contract with CPN Commercial Growth Leasehold Property Fund (“CPNCG”) for land and part of office building with integrated components and related equipment and systems including the right for the use of the parking spaces at The Offices at Central World. The contract was for a period of 20 years ending on 22 December 2032. In addition, TBF4 had entered into sublease contracts with the Company and Central World for part of office building. The contracts would cover the periods from 14 September 2012 to 22 December 2032 and 14 September 2012 to 23 December 2012, respectively.

On 25 September 2013, TBF4 entered into a memorandum for the cancellation of a part of land lease under the principal agreement with other party and subsequently appointed the Company as the new lessee of the cancelled lease directly with other party. The Company acquired the right for the use of cancelled land lease under conditions in an agreement. Therefore, to compensate TBF4 for the loss of the leasehold right on cancelled land lease, the Company agreed to pay compensation to TBF4 in amount of Baht 502 million by payments of Baht 425 million on 15 December 2013 and will pay of Baht 77 million in January 2033.

Moreover, TBF4 has entered into an agreement with Central Plaza Hotel Public Company Limited, a related party, to sublease its leasehold right on land and part of its structures located at Central World for a period of 29 years ending in December 2032. The sublessee would use land and its structures for the development of the project of hotel, parking and convention hall.

In August 2019, the Company made a payment of Baht 9,000 million to Thai Business Fund 4 for the guarantee of sublease property agreement of Central World project from Thai Business Fund 4. The conditions under the sublease property agreement had to finalise within period as specified in the agreement.

CentralPlaza Lardprao

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

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

CentralPlaza Bangna

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

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CentralPlaza WestGate

In January 2013, the Company entered into a land lease agreement with Vantage Ground Co., Ltd., (“Vantage”) a related party, for the construction of shopping center for lease for a period of 30 years ending on 18 February 2043. Under the conditions of the agreement, the Company had to pay compensation for land lease to lessor in the amount of Baht 654.9 million, which was recorded as leasehold rights in the statements of financial position. In addition, the Company has to pay the annual rental throughout the lease agreement period totalling Baht 4,443.7 million. The land lease agreement can be renewed for at least another 10 years period, at the rate and the benefit to be agreed upon by notifying in writing in advance not less than 2 years prior to the completion of the lease period.

At the Company's Board of Directors' meeting held on 7 August 2015, the Board approved the cancellation of part land lease agreement of CentralPlaza WestGate with Vantage, in order that Vantage could sell the land to other party for construction of this shopping center. The Company notified the cancellation of the agreement in October 2015. Vantage agreed to return the compensation of land lease and annual rental which the Company paid under the conditions of the land lease agreement.

CentralPlaza Pinklao

The Company entered into a land lease agreement with Hang Central Department Store Co., Ltd., a related party, for the location of CentralPlaza Pinklao project for a period of 30 years ending in 2024.

In 2015, the Company (“lessee”) entered into a memorandum for the extension of lease period with Hang Central Department Store Co., Ltd. whereby both parties agreed to extend the lease period for another periods of 2 years and 5 months starting from 1 January 2025 to 31 May 2027, whereby the lessee agreed to pay additional rental in amount of Baht 291 million upon its maturity as stated in the contract.

CentralFestival Phuket

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

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

Hilton Pattaya Hotel

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

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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.

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. Subsequently, in January 2020, the Company renewed the service agreement for 3 years, ending on 31 December 2022. (See note 37.1)

Hotel Management agreement

The Group entered into a hotel management agreement with a related party whereby the Group agrees to pay monthly management fee at the rate of 2% of the hotel's operating income and additional compensation at the rate of 6% of the gross operating profit if the gross operating profit is achieved and sales and marketing contribution fee at the rate of 1.5% of operating income.

Service provider agreement

The Company entered into the management agreement with subsidiaries. The Company has to perform the management of the Shopping center. The subsidiaries have to pay management fee at the rate of 3% of the net rental income after deduction of the discount under the agreements. The initial contract started from 1 January 2019 to 31 December 2019. Subsequently, in January 2020, the Company extended the management agreement with the subsidiaries for another one year ending on 31 December 2020.

The Company entered into service agreement with Grand Canal Land Public Company Limited for business consulting, setting policies, and advising on business operation. The agreement will be effective for two years from 1 January 2019 with rate 3% of revenue from rent and services.

Property management fees

The Company is the Property manager, has a right to receive remuneration under the agreement of being the Property manager from the related parties, which shall be payable monthly according to the property management appointment agreement between the Property manager and related parties.

Collateral

As at 31 December 2019, the Company had collateral of subsidiaries and joint venture of Baht 373 million and Baht 4,813 million, respectively (2018: Baht 307 million and Malaysian Ringgit 50 million).

As at 31 December 2019, an indirect subsidiary had loan guarantee with another indirect subsidiary for credit line of Baht 1,960 million (2018: Baht 1,960 million).

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6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	10,713	9,270	5,555	4,824
Call deposits	2,042,524	3,011,761	644,116	2,006,380
Cash and cash equivalents	2,053,237	3,021,031	649,671	2,011,204

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Equity securities available-for-sale	3,200	4,060	3,200	4,060
Investments in marketable unit trusts classified as available-for-sale investments	998,175	41,460	534,100	41,460
Current investments	1,001,375	45,520	537,300	45,520
<i>Long-term investments in related parties</i>				
Other non-marketable equity securities	131,647	131,647	-	-
Marketable equity securities classified as available-for-sale	1,490,937	1,842,608	1,490,937	1,842,608
Less allowance for impairment	(65,397)	(65,397)	-	-
Long-term investment in related parties-net	1,557,187	1,908,858	1,490,937	1,842,608
<i>Other long-term investments</i>				
Other non-marketable equity securities	56,492	31,318	1,000	1,000
Investments in marketable unit trusts classified as available-for-sale investments	140,605	139,468	-	-
Held to maturities securities	2,092	2,138	2,092	2,138
Other long-term investments	199,189	172,924	3,092	3,138
Total	2,757,751	2,127,302	2,031,329	1,891,266
<i>Held-to-maturity investments</i>				
Annual interest rate (%)	3.65	3.65	3.65	3.65
Mature in (years)	2	3	2	3

Dividend income and interest income for the year ended 31 December 2019 amounting to Baht 25,535 thousand and Baht 161,635 thousand (2018: Baht 130 thousand and Baht 115,013 thousand) for the Group, and amounting to Baht 14,934,207 thousand and Baht 616,643 thousand (2018: Baht 4,532,508 thousand and Baht 533,479 thousand) for the Company, respectively.

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Movements during the years ended 31 December of marketable equity and debt securities were as follows:

	Consolidated financial statements				
	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
			<i>(in thousand Baht)</i>		
2019					
<i>Current investments</i>					
Available-for-sale securities	45,520	11,115,000	(10,160,854)	1,709	1,001,375
<i>Long-term investments in related parties</i>					
Available-for-sale securities	1,908,858	73,125	(511,407)	86,611	1,557,187
<i>Other long-term investments</i>					
Available-for-sale securities	172,924	25,173	-	1,092	199,189
2018					
<i>Current investments</i>					
Available-for-sale securities	2,943,116	5,725,000	(8,619,594)	(3,002)	45,520
<i>Long-term investments in related parties</i>					
Available-for-sale securities	66,250	2,147,314	(35,962)	(268,744)	1,908,858
<i>Other long-term investments</i>					
Available-for-sale securities	127,556	44,818	-	550	172,924
		Separate financial statements			
	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
			<i>(in thousand Baht)</i>		
2019					
<i>Current investments</i>					
Available-for-sale securities	45,520	10,465,000	(9,974,854)	1,634	537,300
<i>Long-term investments in related parties</i>					
Available-for-sale securities	1,842,608	73,125	(511,407)	86,611	1,490,937
<i>Other long-term investments</i>					
Available-for-sale securities	3,138	-	-	(46)	3,092

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	At 1 January	Separate financial statements		Fair value adjustment	At 31 December
		Purchase	Disposal		
		(in thousand Baht)			
2018					
Current investments					
Available-for-sale securities	2,943,116	5,725,000	(8,619,594)	(3,002)	45,520
Long-term investments in related parties					
Available-for-sale securities	-	2,147,314	(35,962)	(268,744)	1,842,608
Other long-term investments					
Available-for-sale securities	3,184	-	-	(46)	3,138

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.

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 at a price of Baht 12 per share totalling Baht 510 million. As a result, the proportion of shareholding decrease from 22.58% to 17.58%.

Collateral

As at 31 December 2019, 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 140.61 million (2018: Baht 139.47 million).

8 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
Related parties				
Within credit terms	133,375	101,383	129,130	94,527
Overdue:				
Less than 3 months	140,180	135,818	179,914	88,982
3-6 months	30,381	31,050	17,737	21,005
6-12 months	9,289	25,943	5,921	22,528
Over 12 months	31,890	21,618	17,701	18,722
Total	345,115	315,812	350,403	245,764
Deposits from overdue customers	862,754	774,695	416,468	360,208

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	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	219,114	180,073	164,650	74,257
Overdue:				
Less than 3 months	553,051	559,063	330,089	361,996
3-6 months	95,403	50,906	62,889	54,779
6-12 months	82,601	106,185	39,471	70,955
Over 12 months	90,924	171,022	68,629	61,796
	<u>1,041,093</u>	<u>1,067,249</u>	<u>665,728</u>	<u>623,783</u>
Less allowance for doubtful accounts	(30,502)	(104,436)	(18,309)	(32,208)
Net	<u>1,010,591</u>	<u>962,813</u>	<u>647,419</u>	<u>591,575</u>
Deposits from overdue customers	<u>6,432,217</u>	<u>6,167,441</u>	<u>2,896,130</u>	<u>2,764,784</u>

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 Real estate projects under development

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Projects under development				
- Land	5,648,876	5,386,812	-	-
- Land improvements	250,979	166,947	-	-
- Construction	1,085,786	160,235	-	-
- Utilities	971,895	1,763,618	-	-
- Other costs relating to project development	<u>404,071</u>	<u>309,704</u>	<u>-</u>	<u>-</u>
Total	<u>8,361,607</u>	<u>7,787,316</u>	<u>-</u>	<u>-</u>
Finance costs capitalised during the year	<u>126,718</u>	<u>90,318</u>	<u>-</u>	<u>-</u>
Rates of interest capitalised (% per annum)	<u>2.65</u>	<u>2.91</u>	<u>-</u>	<u>-</u>
Real estate projects under development recognised as an expense in 'cost of sales of real estate project'				
- Cost	<u>1,833,045</u>	<u>1,564,737</u>	<u>-</u>	<u>-</u>

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10 Investments in subsidiaries and funds

		Separate financial statements	
	<i>Note</i>	2019	2018
		<i>(in thousand Baht)</i>	
At 1 January		27,620,972	24,901,032
Increase		421,357	2,730,580
Disposal and redemption of investment units		(300)	(10,640)
Reclassify to joint ventures	12	(19,125)	-
At 31 December		<u>28,022,904</u>	<u>27,620,972</u>

For the year ended 31 December 2019

Suanlum Property Co., Ltd. (direct subsidiaries)

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

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

In March 2019, at the extraordinary shareholders meeting of Common Ground (Thailand) Co., Ltd., a subsidiary, approved a resolution to increase the registered share capital from Baht 1 million to Baht 150 million by issuing the ordinary shares of 1.49 million shares with par value of Baht 100 per share. The Company made a payment for 25% shares amounting to Baht 18.88 million.

In May 2019, the Company entered into a joint venture with Common Ground Works Sdn. Bhd. and MSB Asia Ltd. in the proportion of 51: 29: 20, respectively. The Company made a payment for shares of Baht 19.13 million. As a result, the proportion of shareholding decreased from 100% to 51%; therefore, the Company reclassified this investment from subsidiary to joint venture.

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

In June 2019, the Company purchased the ordinary shares of Saladang Property Management Co., Ltd., from Dusit Thani Public Company Limited and directors of 0.56 thousand shares amounting to Baht 216.79 million. As a result, the proportion of shareholding increased from 86% to 100% in accordance with the conditions in the agreement.

CPN Village Co., Ltd. (direct subsidiaries)

In November 2019, the Company sold the ordinary shares of CPN Village Co., Ltd., to Mitsubishi Estate Asia Pte. Ltd. of 30,000 shares, par value at 10 Baht, amounting to Baht 254.79 million. As a result, the proportion of shareholding decreased from 100% to 70%.

Chipper Global Limited (indirect subsidiaries)

In May 2019, the Group established Chipper Global Limited which has the registered share capital of US Dollar 65.8 million (equivalent to Baht 2,084 million), totalling 32,900 shares with a par value of US Dollar 2,000 per share. The proportion of shareholding was at 100%.

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

During 2019, the Board of Directors' meeting of Central Plaza i-City Real Estate Sdn. Bhd, approved to additionally issue and call for paid up newly issued shares from Malaysian Ringgit 420.40 million to Malaysian Ringgit 420.43 million (equivalent to Baht 3,452.33 million) by issuing and calling for paid up newly issued shares of 290 million ordinary shares with par value of Malaysian Ringgit 1 per share and paid-up of 0.0001 Malaysian Ringgit in order to use for its working capital which the ownership interest of the Group is 60%. The Group invested in those increased shares in amount of Malaysian Ringgit 0.02 million (equivalent to Baht 0.13 million) at the same proportion of shareholding of the Group.

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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 which accounted for 99.99% of total issued and paid-up capital totalling Baht 59 million. 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.

Central Pattana Public Company Limited and its Subsidiaries

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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. Thai Business Fund 5 completes liquidation on 15 May 2018.

CPN Learning Center Co., Ltd. (direct subsidiary)

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.

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., 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.

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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.

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.

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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	

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 center building. Under the conditions of the agreement, the Group has to pay a deposit in amount of Baht 492.4 million within June 2017 and January 2018 and when the Group is able to enter into a lease agreement for shopping center building with Vimarn Suriya Co., Ltd., the Group has to pay fee at the amount specified in the agreement to Dusit Thani and has to pay rental fee at the amount specified in the lease agreement to Vimarn Suriya Co., Ltd.

In June 2017, the Group paid the deposit of Baht 492.4 million to Dusit Thani.

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.

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Investments in subsidiaries and funds as at 31 December 2019 and 2018 and dividend income from those investments for the years then ended were as follows:

	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)		(in million Baht)		(in thousand Baht)		(in thousand Baht)					
Subsidiaries												
Central Pattana Rama 2 Co., Ltd.	100.0	100.0	1,500.0	1,500.0	1,500,000	1,500,000	-	-	1,500,000	1,500,000	-	-
Central Pattana Chiangmai Co., Ltd.	100.0	100.0	1,000.0	1,000.0	1,000,000	1,000,000	-	-	1,000,000	1,000,000	500,000	500,000
Central Pattana Realty Co., Ltd.	44.2	44.2	2,268.4	2,268.4	1,003,658	1,003,658	-	-	1,003,658	1,003,658	-	-
Central Pattana Rattana Thibet Co., Ltd.	100.0	100.0	800.0	800.0	589,998	589,998	-	-	589,998	589,998	471,998	383,499
Central Food Avenue Co., Ltd.	100.0	100.0	5.0	5.0	5,000	5,000	-	-	5,000	5,000	32,125	-
Central World Co., Ltd.	100.0	100.0	2,511.9	2,511.9	2,412,733	2,412,733	-	-	2,412,733	2,412,733	-	-
Central Pattana Rama 3 Co., Ltd.	100.0	100.0	324.7	324.7	2,166,751	2,166,751	-	-	2,166,751	2,166,751	48,711	58,453
Central Pattana Chonburi Co., Ltd.	100.0	100.0	900.0	900.0	808,984	808,984	-	-	808,984	808,984	-	405,000
CPN Residence Co., Ltd.	100.0	100.0	400.6	400.6	400,599	400,599	-	-	400,599	400,599	-	-
Central Pattana Development Co., Ltd.	100.0	100.0	700.0	700.0	744,285	744,285	-	-	744,285	744,285	-	-
CPN Global Co., Ltd.	100.0	100.0	2,500.0	2,500.0	2,500,000	2,500,000	-	-	2,500,000	2,500,000	-	-
Central Pattana Nine Square Co., Ltd.	93.3	93.3	2,400.0	2,400.0	2,239,200	2,239,200	-	-	2,239,200	2,239,200	-	-
Central Pattana Khon Kaen Co., Ltd.	78.1	78.1	2,000.0	2,000.0	1,562,684	1,562,684	-	-	1,562,684	1,562,684	281,283	-
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	-	875,000
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.	78.0	63.0	172.0	172.0	294,053	108,360	-	-	294,053	108,360	-	-
Pharam 4 Development Co., Ltd.	90.0	90.0	1.0	1.0	900	900	-	-	900	900	-	-
Saladang Property Management Co., Ltd.	100.0	86.0	0.4	0.4	385,767	168,978	-	-	385,767	168,978	-	-
CPN REIT Management Co., Ltd.	100.0	100.0	10.0	10.0	10,000	10,000	-	-	10,000	10,000	83,350	-
Dara Harbour Co., Ltd.	65.0	65.0	215.6	215.6	291,750	291,750	-	-	291,750	291,750	-	-
CPN Pattaya Hotel Co., Ltd.	100.0	100.0	51.7	51.7	51,745	51,745	-	-	51,745	51,745	50,000	-

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	Ownership interest	Separate financial statements									
		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)	(in million Baht)									
		(in thousand Baht)									
Subsidiaries (continued)											
	100.0	100.0	59.0	59.0	58,994	-	-	58,994	58,994	-	-
Chanakun Development Co., Ltd.	70.0	100.0	0.7	1.0	700	-	-	700	1,000	-	-
CPN Village Co., Ltd.	-	100.0	-	0.25	-	250	-	-	250	-	-
Common Ground (Thailand) Co., Ltd.											
Funds											
Thai Business Fund 4 ^{(1) (2)}	100.0	100.0	5,443.8	5,443.8	5,443,793	-	-	5,443,793	5,443,793	12,465,790	1,312,815
Thai Business Fund 5 ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	84,362
Total					28,022,904	27,620,972	27,620,972	28,022,904	27,620,972	13,933,257	3,619,129

⁽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.

All subsidiaries were incorporated and operate in Thailand.

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11 Non-controlling interests

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

	31 December 2019				
	Grand Canal Land Public Company Limited	Central Pattana Khon Kaen Co., Ltd.	Central Plaza i-City Real Estate Sdn. Bhd.	Other individually immaterial subsidiaries	Total
		<i>(in thousand Baht)</i>			
Non-controlling interest percentage	32.5%	21.9%	40.0%		
Current assets	3,622,550	66,877	105,737		
Non-current assets	31,508,708	5,097,050	5,835,398		
Current liabilities	(4,144,637)	(183,074)	(1,000,488)		
Non-current liabilities	(12,410,668)	(475,375)	(2,260,720)		
Net assets	18,575,953	4,505,478	2,679,927	244,924	8,333,855
Carrying amount of non-controlling interest	6,031,612	985,348	1,071,971		
Revenue	501,044	1,078,806	327,013		
Profit (loss) for the year	170,396	452,183	(448,787)	96,143	70,847
Total comprehensive income	170,396	452,183	(448,787)		70,847
Profit allocated to non-controlling interest	55,327	98,892	(179,515)		
Cash flows from (used in) operating activities	(51,960)	203,576	(862,852)		
Cash flows from (used in) investing activities	409,545	(141,974)	(183,135)		
Cash flows from (used in) financing activities (dividends to non-controlling interest: nil)	(484,719)	(13)	1,015,238		
Net increase (decrease) in cash and cash equivalents	(127,134)	61,589	(30,749)		

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	31 December 2018			
	Grand Canal Land Public Company Limited	Central Pattana Khon Kaen Co., Ltd.	Central Plaza i-City Real Estate Sdn. Bhd.	Other individually immaterial subsidiaries
		(in thousand Baht)		
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	
Carrying amount of non-controlling interest	5,879,023	965,467	1,308,850	296,377
				8,449,717
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 from (used in) investing activities	398,716	(1,076,048)	(2,631)	
Cash flows from (used in) financing activities (dividends to non-controlling interest: nil)	(521,785)	(1,993)	2,487	
Net increase (decrease) in cash and cash equivalents	178,368	2,447	(31)	

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12 Investments in associates and joint ventures

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Associates					
At 1 January		7,045,707	5,920,082	7,886,681	7,867,433
Increase		-	19,248	-	19,248
Investment in subsidiaries from business acquisition	4	-	951,620	-	-
Share of net profit of investment equity method		1,340,164	1,089,896	-	-
Dividend income / reduction of unit capitals		(1,028,408)	(935,139)	-	-
At 31 December		7,357,463	7,045,707	7,886,681	7,886,681
Joint ventures					
At 1 January		2,853,474	380,079	232,500	232,500
Increase		2,106,902	56,100	35,700	-
Investment in joint ventures from business acquisition	4	6,120	2,520,040	-	-
Reclassify from subsidiaries	10	19,125	-	19,125	-
Downstream elimination		(131,800)	-	-	-
Share of net loss of joint ventures		(47,906)	(102,745)	-	-
Reversal of share of net losses from investment in joint ventures in excess of investment value		3,244	-	-	-
At 31 December		4,809,159	2,853,474	287,325	232,500

For year ended 31 December 2019

Joint ventures

Common Ground (Thailand) Co., Ltd.

According to note 12, in May 2019, the Company entered to a joint venture with Common Ground Works Sdn. Bhd. and MSB Asia Ltd. in the proportion of 51: 29: 20, respectively. The Company made a payment for shares of Baht 19.13 million. As a result, the proportion of shareholding decreased from 100% to 51%; therefore, the Company reclassified this investment from subsidiary to joint venture.

In September 2019, the Board of Directors meeting of Common Ground (Thailand) Co., Ltd., approved a resolution to increase the registered capital from Baht 37.5 million to Baht 78.0 million. The Company paid up for shares of Baht 20.7 million according to shareholding of the Company.

In November 2019, the Board of Directors meeting of Common Ground (Thailand) Co., Ltd., approved a resolution to increase the registered capital from Baht 78.0 million to Baht 103.5 million. The Company paid up for shares of Baht 13 million according to shareholding of the Company.

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Porto Worldwide Limited

In May 2019, the Group entered into a joint venture with an international company by establishing Porto Worldwide Limited to invest in Grab businesses. The Group had the proportion of shareholding at 33% and has the registered share capital of US Dollar 199.3 million, totalling 199.3 million shares with a par value of 1 US Dollar. The Group made a payment for shares of Baht 2,071.2 million according to shareholding of the Group.

CPN and HKL Company Limited

In June 2019, the Company entered into a joint venture with a local company by establishing CPN and HKL Company Limited. The Company had the proportion of shareholding at 51% and has the registered share capital of Baht 1 million, totalling 10,000 shares with a par value of 100 Baht. The Company made a payment for shares of Baht 0.5 million according to shareholding of the Company.

In October 2019, the annual general meeting of the shareholders of CPN and HKL Company Limited, a joint venture, approved a resolution to increase the registered share capital from Baht 1 million to Baht 4 million by issuing the ordinary shares of 30,000 shares with par value of Baht 100 per share. The Company already paid up for shares of Baht 1.5 million according to shareholding of the Company.

For year ended 31 December 2018

Associate

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.

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.

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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.

Joint venture

Phenomenon Creation Co., Ltd.

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.

Collateral

As at 31 December 2019, 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. (2018: Baht 991.5 million)

Central Pattana Public Company Limited and its Subsidiaries

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Investments in associates and joint ventures as at 31 December 2019 and 2018 and dividend income from the investment for the years then ended were as follows:

Consolidated financial statements												
Ownership interest 2019		Paid-up capital		Cost		Equity		Fair value of listed securities		Dividend income		
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
(in thousand Baht)												
Associates												
CPN Commercial Growth	25.0	25.0	4,394,382	4,394,382	1,098,598	1,098,598	620,117	582,380	1,333,250	1,621,232	107,366	105,103
Leasehold Property Fund												
CPN Retail Growth	26.7	26.7	29,653,383	29,653,383	6,480,076	6,480,076	5,479,880	5,208,737	19,339,585	15,058,303	868,049	808,146
Leasehold REIT	35.0	35.0	880,020	880,020	308,007	308,007	295,309	304,387	-	-	-	-
Vinam Suriya Co., Ltd.												
GLAND Office Leasehold												
Real Estate Investment	15.0	15.0	4,558,489	4,558,489	951,620	951,620	962,157	950,203	997,038	884,591	52,993	21,890
Trust												
Total					8,838,301	8,838,301	7,357,463	7,045,707			1,028,408	935,139
Joint ventures												
Phenomenon Creation												
Co., Ltd.	51.0	51.0	400,000	290,000	204,000	204,000	166,938	190,042	-	-	-	-
Synergistic Property												
Development Co., Ltd.	50.0	50.0	465,000	465,000	232,500	232,500	231,951	232,121	-	-	-	-
Bayswater Co., Ltd.	50.0	50.0	10,000	10,000	2,526,160	2,520,040	2,301,037	2,431,311	-	-	-	-
Common Ground (Thailand)												
Co., Ltd	51.0	-	103,500	-	52,785	-	37,967	-	-	-	-	-
Porto Worldwide Limited	33.0	-	6,334,324	-	2,071,202	-	2,071,266	-	-	-	-	-
CPN and HKL Company												
Limited	51.0	-	4,000	-	2,040	-	-	-	-	-	-	-
Total					5,088,647	2,956,540	4,809,159	2,853,474				

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Investments in associates and joint ventures as at 31 December 2019 and 2018 and dividend income from the investment for the years then ended were as follows:

	Separate financial statements						
	Ownership interest		Paid-up capital		Cost		Dividend income
	2019	2018	2019	2018	2019	2018	
	(%)				(in thousand Baht)		
Associates							
CPN Commercial Growth Leasehold Property Fund	25.0	25.0	4,394,382	4,394,382	1,098,598	1,621,232	105,103
CPN Retail Growth Leasehold REIT	26.7	26.7	29,653,383	29,653,383	6,480,076	15,058,303	808,147
Vimarn Suriya Co., Ltd.	35.0	35.0	880,020	880,020	308,007	-	-
Total					7,886,681	7,886,681	913,250
Joint ventures							
Synergistic Property Development Co., Ltd.	50.0	50.0	465,000	465,000	232,500	-	-
Common Ground (Thailand) Co., Ltd.	51.0	-	103,500	-	52,785	-	-
CPN and HKL Company Limited	51.0	-	4,000	-	2,040	-	-
Total					287,325	232,500	-

All associates and joint ventures were incorporated and mainly operate in Thailand, except Porto Worldwide Limited which was incorporated and operates in Hongkong.

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Associates

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

	CPN Commercial Growth Leasehold Property Fund 2019	CPN Commercial Growth Property Fund 2018	CPN Retail Growth Leasehold REIT 2019	CPN Retail Growth REIT 2018	GLAND Office Leasehold Real Estate Investment Trust 2019	GLAND Office Leasehold Trust 2018
Revenue	652,869	643,327	5,141,594	4,927,347	700,857	701,498
Total comprehensive income (100%)	492,340	470,646	3,756,110	3,577,699	432,986	397,918
Group's share of total comprehensive income	123,085	117,661	1,002,506	954,888	64,948	59,688
Current assets	60,316	126,277	1,313,387	1,100,360	217,120	285,109
Non-current assets	5,088,970	5,062,369	45,373,642	45,749,424	5,809,122	5,669,194
Current liabilities	(22,082)	(32,654)	(588,009)	(528,345)	(89,785)	(159,374)
Non-current liabilities	(421,772)	(446,368)	(16,397,833)	(16,326,228)	(1,123,371)	(1,121,438)
Net assets (100%)	4,705,432	4,709,624	29,701,187	29,995,211	4,813,086	4,673,491
Unrealised from fair value measurement	142,816	(12,319)	(1,829,437)	(3,139,359)	1,093,714	1,153,616
	4,848,248	4,697,305	27,871,750	26,855,852	5,906,800	5,827,107
Group's share of net assets	1,212,062	1,174,325	7,438,970	7,167,827	886,020	874,066
Elimination of unrealised profit from sale of assets to associate	(591,945)	(591,945)	(1,959,090)	(1,959,090)	76,137	76,137
Carrying amount of interest in associates	620,117	582,380	5,749,800	5,208,737	962,157	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	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Carrying amount of interests in immaterial associates and joint ventures	295,309	304,386	4,809,159	2,853,474
Group's share of:				
- Total comprehensive income	(9,078)	(2,674)	(47,906)	(26,810)

13 Advance payment for shares

In May 2019, the Company entered into the Share Purchase Agreement of Bayswater Company Limited ("Bayswater"), a joint venture between Ratchada Assets Holding Limited (Indirect subsidiary) and BTS Group Holdings Public Company Limited ("BTS Group Holdings") in proportion of 50 : 50. The Company acquired ordinary shares from BTS Group Holdings of 50,000 shares or accounted for 50% of the total issued and paid-up share capital of Bayswater, including related obligations under the agreement, totalling Baht 7,698.72 million. The Company made a partial payment for shares of Baht 2,309.62 million which was recorded as advance payment for shares for the year ended 31 December 2019. Such share purchase will be completed and the Company will have the related obligations under the agreement when it is in accordance with the conditions under the Share Purchase Agreement and other relevant agreements. (See note 37.2)

14 Investment properties

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in thousand Baht)			
Cost					
At 1 January		137,028,610	109,109,637	51,061,344	49,819,989
Additions		7,018,160	5,562,200	1,469,139	1,283,446
Assets acquired from (adjusted) business combination	4	(265,605)	22,973,114	-	-
Transferred from property, plant, and equipment		-	407,851	-	-
Transfer to real estate projects under development		(165,585)	(896,760)	-	-
Transfer to leasehold right	17	(5,723,935)	(34,260)	(5,723,935)	-
Disposals / amortisation		(194,243)	(93,093)	(108,028)	(42,091)
Difference from financial statements translation		(192,287)	(79)	-	-
At 31 December		137,505,115	137,028,610	46,698,520	51,061,344
Depreciation					
At 1 January		28,616,153	24,137,422	10,031,365	7,912,333
Depreciation charge for the year		4,953,901	4,512,662	2,056,249	2,130,325
Transfer to leasehold right	17	(514,897)	-	(514,897)	-
Disposals / write-off		(53,489)	(33,931)	(21,073)	(11,292)
At 31 December		33,001,668	28,616,153	11,551,644	10,031,366
Net book value					
At 31 December		104,503,447	108,412,457	35,146,876	41,029,978

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	Consolidated financial statements			
	2019		2018	
	Book value	Fair value	Book value	Fair value
	<i>(in million Baht)</i>			
Investment properties	104,503		108,412	
Leasehold rights (partial)	13,915		7,108	
Total	118,418	252,051	115,520	219,161

	Separate financial statements			
	2019		2018	
	Book value	Fair value	Book value	Fair value
	<i>(in million Baht)</i>			
Investment properties	35,147		41,030	
Leasehold rights (partial)	8,726		3,325	
Total	43,873	78,187	44,355	75,949

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 Rattana Thibet | - CentralPlaza Changwattana |
| - CentralFestival Pattaya Beach | - CentralPlaza Udonthani |
| - CentralPlaza Chonburi | - CentralPlaza Khonkaen |
| - CentralPlaza Chiangrai | - CentralPlaza Pisanulok |
| - CentralPlaza Grand Rama 9 | - Grand Rama 9 Office Building |
| - Central City Residential | - Chaengwattana Office Building |
| - Bangna Office Building | - CentralPlaza Suratthani |
| - CentralPlaza Lampang | - CentralPlaza Ubonratchathani |
| - CentralFestival Chiangmai | - CentralFestival Hat-yai |
| - CentralFestival Samui | - CentralPlaza Salaya |
| - CentralPlaza Rayong | - CentralFestival Phuket |
| - CentralPlaza WestGate | - CentralFestival EastVille |
| - CentralPlaza Nakhon Si Thammarat | - CentralPlaza Mahachai |
| - CentralPlaza Nakhon Ratchasima | - Central Village |
| - Projects under development | |

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

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss for investment properties</i>				
Rental income	16,157,872	14,341,501	6,780,755	6,278,200
<i>Direct operating expenses</i>				
- property that generated rental income	12,169,543	10,376,578	6,066,069	5,681,349
- property that did not generate rental income	896	-	-	-
<i>At 31 December</i>				
<i>Minimum lease payments under non-cancellable operating lease are receivable:</i>				
Within 1 year	16,341,070	14,209,391	9,395,541	6,343,326
1 - 5 years	13,829,795	13,922,535	8,017,592	7,273,602
After 5 years	1,619,041	2,104,553	723,966	1,202,411
Total	31,789,906	30,236,479	18,137,099	14,819,339

Investment properties comprise a number of commercial properties that are leased to third parties. Most of the leases contains an initial non-cancellable period of 3 years. Renewals are negotiated with the lessee. No contingent rents are charged.

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15 Property, plant and equipment

	<i>Note</i>	Land	Buildings and improvements	Consolidated financial statements Furniture, fixtures, office and transportation equipment (in thousand Baht)			Total
					Asset under construction		
Cost							
At 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 and 1 January 2019		91,396	2,618,230	1,039,356	113,572		3,862,554
Additions		-	25,477	87,049	129,106		241,632
Transfer to real estate under development		-	14,705	41,190	(55,895)		-
Transfer - net		-	(12,081)	(27,785)	(76)		(39,942)
Disposals / write off		-	103	66	-		169
Difference from financial statements translation		-	-	-	-		-
At 31 December 2019		91,396	2,646,434	1,139,876	186,707		4,064,413

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	Consolidated financial statements			
	Land	Buildings and improvements	Furniture, fixtures, office and transportation equipment (in thousand Baht)	Asset under construction
Depreciation				Total
At 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 and 1 January 2019	-	1,517,015	699,460	2,216,475
Depreciation charge for the year	-	186,610	93,944	280,554
Disposals / write off	-	(9,773)	(19,355)	(29,128)
At 31 December 2019	-	1,693,852	774,049	2,467,901
Net book value				
At 31 December 2018				
Owned assets	91,396	1,101,215	336,509	1,642,692
Assets under finance leases	-	-	3,387	3,387
	91,396	1,101,215	339,896	1,646,079
At 31 December 2019				
Owned assets	91,396	952,582	361,325	1,592,010
Assets under finance leases	-	-	4,502	4,502
	91,396	952,582	365,827	1,596,512

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 2019 amounted to Baht 396 million (2018: Baht 542 million).

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	Buildings and improvements	Separate financial statements Furniture, fixtures, office and transportation equipment (in thousand Baht)	Asset under construction	Total
Cost				
At 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 and 1 January 2019	265,276	734,991	77,395	1,077,662
Additions	8,521	63,325	93,168	165,014
Transfer - net	905	42,036	(42,941)	-
Disposals / write off	-	(17,137)	-	(17,137)
At 31 December 2019	274,702	823,215	127,622	1,225,539
Depreciation				
At 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)	-	(36,951)
At 31 December 2018 and 1 January 2019	187,958	497,530	-	685,488
Depreciation charge for the year	12,794	77,101	-	89,895
Disposals / write off	-	(14,196)	-	(14,196)
At 31 December 2019	200,752	560,435	-	761,187
Net book value				
At 31 December 2018	77,318	237,461	77,395	392,174
Owned assets	-	-	-	-
Assets under finance leases	77,318	237,461	77,395	392,174

Central Pattana Public Company Limited and its Subsidiaries
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	Separate financial statements		
	Buildings and improvements	Furniture, fixtures, office and transportation equipment (in thousand Baht)	Asset under construction Total
At 31 December 2019			
Owned assets	73,950	259,577	127,622
Assets under finance leases	-	3,203	-
	73,950	262,780	127,622
			461,149
			3,203
			464,352

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2019 amounted to Baht 291 million (2018: Baht 402 million).

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

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Cost					
At 1 January		1,036,492	-	-	-
Acquired through business combinations	4	-	1,036,492	-	-
At 31 December		1,036,492	1,036,492	-	-
Net book value					
At 31 December		1,036,492	1,036,492	-	-

Impairment testing for CGUs containing goodwill

The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of assets.

The values assigned to the key assumptions represented management's assessment of future trends in the relevant industries and were based on historical data from external and internal sources. The key assumptions used in the estimation of the recoverable amount were as follows:

Discount rate

The discount rate was based on weighted average cost of capital, with average industry cost of debt, risk free rate of over 10-year government bond, adding with business risk, trend growth, economic conditions, and investment, including other factors that effect to business operations.

Terminal value growth rate

Terminal value growth rate was determined based on average industry growth rate and average gross domestic product ("GDP") growth rate, inflation rates and growth rates of historical earnings before interest, income tax, depreciation and amortisation.

Budgeted earning before interest, income tax, depreciation and amortisation (EBITDA)

Budgeted EBITDA was based on expectations of future outcomes taking into the past experience, adjusted for the anticipated revenue growth. Revenue growth was projected from past experience and business growth of same industries.

Based on the impairment testing, the estimated recoverable amount was estimated to be higher than its carrying amount and no impairment was required to these financial statements.

Central Pattana Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

17 Leasehold rights

	<i>Note</i>	Consolidated financial statements	Separate financial statements
		<i>(in thousand Baht)</i>	
Cost			
At 1 January 2018		25,930,156	12,356,362
Additions		3,828,504	460,644
Assets acquired from business acquisition	4	108,786	-
Transfer from investment properties	14	34,260	-
Disposal / amortisation		(29,103)	(18,801)
At 31 December 2018 and 1 January 2019		29,872,603	12,798,205
Additions		3,367,628	1,116,024
Transfer from investment properties	14	5,723,935	5,723,935
Disposal / amortisation		(97,244)	(61,198)
At 31 December 2019		38,866,922	19,576,966
Accumulated amortisation			
At 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 and 1 January 2019		15,786,649	7,025,396
Amortisation for the year		1,845,073	946,892
Transfer from investment properties	14	514,897	514,897
Disposal / amortisation		(62,234)	(46,056)
At 31 December 2019		18,084,385	8,441,129
Net book value			
At 1 January 2018		11,207,057	6,101,449
At 31 December 2018 and 1 January 2019		14,085,954	5,772,809
At 31 December 2019		20,782,537	11,135,837

During 2019, additional leasehold rights were mainly as the Group has constructed future projects of shopping centers and department stores by acquiring of assets for using in shopping centers of Central World and CentralPlaza Lardprao in amount of Baht 450.50 million (2018: Baht 652.39 million) as discussed in notes 4.

In January 2019, the Group paid fees of the additional payment under the land lease agreements with third parties that are the location of CentralPlaza Rama 2 project of Baht 1,790.86 million.

The leasehold rights are commercial properties under long-term operating leases of which mostly were the shopping centers of Central World, CentralPlaza Lardprao and part of projects of CentralPlaza Grand Rama 9, CentralFestival Phuket, CentralPlaza WestGate, CentralFestival EastVille and other projects.

Central Pattana Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Direct operating expenses</i>				
property that generated rental income	3,872,955	3,765,846	2,782,279	2,678,783

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.

18 Rights for usage of assets

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
At 1 January 2018	601,319	420,953
At 31 December 2018 and 1 January 2019	601,319	420,953
At 31 December 2019	601,319	420,953
<i>Accumulated amortisation</i>		
At 1 January 2018	149,377	74,085
Amortisation charge for the year	37,374	33,514
At 31 December 2018 and 1 January 2019	186,751	107,599
Amortisation charge for the year	37,371	33,514
At 31 December 2019	224,122	141,113
<i>Net book value</i>		
At 1 January 2018	451,942	346,868
At 31 December 2018 and 1 January 2019	414,568	313,354
At 31 December 2019	377,197	279,840

19 Other non-current assets

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Deposits	5	1,302,692	1,248,805	236,831	174,877
Advance payment for purchases of investment properties and leasehold rights		4,471	291,010	4,352	18,382
Withholding tax deducted at source		91,540	612,493	-	-
Guarantees for leasehold rights		233,239	248,168	-	-
Total		1,631,942	2,400,476	241,183	193,259

Central Pattana Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

20 Interest-bearing liabilities

Consolidated financial statements							
	<i>Note</i>	Secured	2019 Unsecured	Total	Secured	2018 Unsecured	Total
<i>(in thousand Baht)</i>							
Short-term loans from related parties	5	-	125,761	125,761	-	90,089	90,089
Short-term loans from financial institutions		770,000	4,200,000	4,970,000	520,000	7,428,005	7,948,005
Current portion of long-term loans from financial institutions		-	1,569,203	1,569,203	522,869	1,405,097	1,927,966
Current portion of long-term loans from institutional investors		-	2,200,000	2,200,000	-	1,000,000	1,000,000
Long-term loans from related parties	5	-	692,724	692,724	-	-	-
Long-term loans from financial institutions		2,531,906	7,080,968	9,612,874	3,322,044	5,150,103	8,472,147
Long-term loans from institutional investors		-	14,857,940	14,857,940	-	11,050,000	11,050,000
Total interest-bearing liabilities		3,301,906	30,726,596	34,028,502	4,364,913	26,123,294	30,488,207

Separate financial statements							
	<i>Note</i>	Secured	2019 Unsecured	Total	Secured	2018 Unsecured	Total
<i>(in thousand Baht)</i>							
Short-term loans from related parties	5	-	9,861,746	9,861,746	-	9,694,518	9,694,518
Short-term loans from financial institutions		-	3,600,000	3,600,000	-	3,700,000	3,700,000
Current portion of long-term loans from financial institutions		-	1,569,203	1,569,203	-	1,405,097	1,405,097
Current portion of long-term loans from institutional investors		-	800,000	800,000	-	1,000,000	1,000,000
Long-term loans from related parties	5	-	8,105,328	8,105,238	-	12,548,929	12,548,929
Long-term loans from financial institutions		-	7,080,968	7,080,968	-	5,150,103	5,150,103
Long-term loans from institutional investors		-	12,400,000	12,400,000	-	7,200,000	7,200,000
Total interest-bearing liabilities		-	43,417,245	43,417,245	-	40,698,647	40,698,647

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Within 1 year	8,864,964	10,966,060	15,830,949	15,799,615
1 - 5 years	23,050,967	15,987,441	25,473,725	22,666,232
After 5 years	2,112,571	3,534,706	2,112,571	2,232,800
Total	34,028,502	30,488,207	43,417,245	40,698,647

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For the year ended 31 December 2019

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

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in million Baht)</i>			
Real estate projects under development	9	156	344	-	-
Investment properties	14	14,635	14,663	-	-
Leasehold rights	17	97	108	-	-
Total		14,888	15,115	-	-

As at 31 December 2019 the Group had unutilised credit facilities totalling Baht 14,213 million (2018: Baht 12,593 million).

Restricted bank deposits

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

Short-term loans from financial institutions

Short-term loans from financial institutions of the Group were promissory notes and at call for repayment.

Short-term loans from institutional investors

Central Pattana Public Company Limited

In July 2019, the Company issued bills of exchange totalling Baht 1,600 million. The bills of exchange have term to maturity of 6 months, maturing in January 2020.

In August 2019, the Company issued bills of exchange totalling Baht 1,500 million. The bills of exchange have term to maturity of 6 months, maturing in January 2020.

Grand Canal Land Public Company Limited

In August 2019, the Group issued bills of exchange totalling Baht 300 million. The bills of exchange have term to maturity of 6 months, maturing in February 2020.

In November 2019, the Group issued bills of exchange totalling Baht 100 million. The bills of exchange have term to maturity of 6 months, maturing in May 2020.

In December 2019, the Group issued bills of exchange totalling Baht 200 million. The bills of exchange have term to maturity of 6 months, maturing in June 2020.

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 2019, the Company had already fully withdrawn total amount of loan.

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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 monthly instalments. As at 31 December 2019, the Company had already fully withdrawn total amount of loan.

In November 2018, the Company entered into a loan agreement not exceeding of Baht 1,500 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 2019 the Company had already fully withdrawn total amount of loan.

In November 2018, the Company entered into a loan agreement not exceeding of Baht 1,000 million credit facility agreement with a financial institution. Such agreement stipulates that the Company repays the first principle within the next 24 months after the first withdrawn and repays in 21 quarterly instalments. As at 31 December 2019, 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 2019, 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. As at 31 December 2019, the Company had already fully withdrawn total amount of loan.

In March 2019, the Company entered into a loan agreement not exceeding of Baht 2,000 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal in 25 months after the first withdrawal date and repays the principle in 35 monthly instalments. As at 31 December 2019, the Company has already fully withdrawn total amount of loan.

In May 2019, the Company entered into a loan agreement not exceeding of Baht 1,500 million credit facility agreement with a financial institution. Such agreement stipulated the Company to repay the principal in 25 months after the first withdrawal date and repays the principle in 35 monthly instalments. As at 31 December 2019, the Company has already fully withdrawn total amount of loan.

Grand Canal Land Public Company Limited

In September 2010, the Group entered into a loan agreement not exceeding of Baht 3,100 million credit facility agreement with a financial institution. Such agreement stipulated the Company to pay the remaining instalments fully within 3 years, starting from 17 July 2019. As at 31 December 2019, the Company had withdrawn of Baht 2,532 million (2018: Baht 3,100 million).

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

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 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 8 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 8 August 2025, and pay interest every six month.

In May 2019, the Company issued debentures totalling Baht 2,000 million. The debentures have term to maturity of 4 years, maturing in 2 May 2023.

In May 2019, the Company issued debentures totalling Baht 1,500 million. The debentures have term to maturity of 3 years, maturing in 2 May 2022.

In July 2019, the Company issued debentures totalling Baht 2,000 million. The debentures have term to maturity of 3 years, maturing in 18 July 2022.

In July 2019, the Company issued debentures totalling Baht 500 million. The debentures have term to maturity of 10 years, maturing in 18 July 2029.

Central Pattana Public Company Limited and its Subsidiaries
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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 6 months.

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 2021, and pay interest every quarter.

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 every 6 months.

In April 2018, the Group issued through private placement Baht 1,150 million. The debentures have term to maturity of 4 years, maturing on 26 April 2022, and pay interest every quarter.

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

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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	After 5 years	Fair value
<i>At 31 December</i>	(%)		<i>(in thousand Baht)</i>			
2019						
Loans from financial institutions and institutional investors	1.35 - 5.00	14,644,763	2,635,886	14,215,082	1,714,286	33,210,017
						33,600,793
2018						
Loans from financial institutions and institutional investors	0.73 - 5.28	9,147,931	8,692,867	11,128,720	1,428,600	30,398,118
						30,747,322
	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	After 5 years	Fair value
<i>At 31 December</i>	(%)		<i>(in thousand Baht)</i>			
2019						
Loans from financial institutions and institutional investors	1.35 - 5.00	10,742,857	1,235,886	11,757,142	1,714,286	25,450,171
						25,827,134
2018						
Loans from financial institutions and institutional investors	0.73 - 5.00	4,500,000	5,247,880	7,278,720	1,428,600	18,455,200
						18,486,879

Central Pattana Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

21 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Other accounts payable	5	614,508	617,376	342,325	371,766
Retention payable		2,401,018	2,567,251	978,984	1,104,990
Accrued operating expenses		1,735,990	1,995,872	701,845	854,260
Unearned service income		223,173	222,006	88,268	73,382
Accrued interest expense		300,661	227,022	259,394	185,531
Advance received from real estate customers	25	145,808	279,912	-	-
Others		142,691	270,609	70,803	53,220
Total		<u>5,563,849</u>	<u>6,180,048</u>	<u>2,441,619</u>	<u>2,643,149</u>

22 Provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
Statement of financial position				
Non-current provisions for:				
Post-employment benefits				
- Defined benefit plan	<u>649,367</u>	<u>461,329</u>	<u>517,840</u>	<u>364,281</u>
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits				
Defined benefit plan	<u>202,261</u>	<u>56,736</u>	<u>161,730</u>	<u>41,667</u>
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	-	33,105	-	17,350

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.

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<i>Present value of the defined benefit obligations</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
At 1 January		461,329	358,622	364,281	308,000
Increased from Business acquisition	4	-	16,744	-	-
Include in profit or loss:	30				
Current service cost		184,923	45,079	147,894	32,036
Interest on obligation		17,338	11,657	13,836	9,632
Included in other comprehensive income					
Actuarial loss					
- Demographic assumptions		-	(5,692)	-	(4,978)
- Financial assumptions		-	(10,099)	-	(7,893)
- Experience adjustment		-	48,896	-	30,221
		-	33,105	-	17,350
Benefit paid		(14,223)	(3,878)	(8,171)	(2,737)
At 31 December		649,367	461,329	517,840	364,281

On 5 April 2019, the Labor 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 Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

Project of Central Pattana Group

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(%)		
Discount rate	3.2	3.2	3.2	3.2
Future salary growth	6.0 - 8.0	6.0 - 8.0	6.0 - 8.0	6.0 - 8.0

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

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 19 years (2018: 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.

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	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
At 31 December 2019				
Discount rate (1% movement)	(65,293)	77,705	(51,511)	61,073
Future salary growth (1% movement)	74,354	(64,029)	58,454	(50,519)
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)

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

Principal actuarial assumptions	2019	2018
	<i>(%)</i>	
Discount rate	2.3 - 2.8	2.3 - 2.8
Future salary growth	6.0	6.0
Employee turnover	1.0 - 35.0	1.0 - 35.0

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

At 31 December 2019 and 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.

	<i>(in thousand Baht)</i>	
	Increase	Decrease
31 December 2019		
Discount rate (0.5% movement)	(801)	852
Future salary growth (1% movement)	1,937	(1,832)
Employee turnover (10% movement)	(1,853)	2,113
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.

Central Pattana Public Company Limited and its Subsidiaries

Notes to the financial statements

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23 Share capital

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.

24 Reserves

Reserves comprise

Appropriations of profit and/or retained earnings

Legal reserve

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

Other components of equity

Currency translation differences

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

Fair value changes in available-for-sale investments

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

Movements in reserves

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

Surplus from business combination involving entities under common control

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

Central Pattana Public Company Limited and its Subsidiaries
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25 Segment information and disaggregation of revenue

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

- | | |
|------------------|--|
| <i>Segment 1</i> | Development of shopping center buildings, office building and condominiums for rent including provision of utility services, operator of play land and water theme park in the shopping center buildings |
| <i>Segment 2</i> | Food center services in the shopping centers |
| <i>Segment 3</i> | Hotel business |
| <i>Segment 4</i> | Real estate business for sales of land and houses and condominium units |

Each segment's performance 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. Inter-segment pricing is determined on an arm's length basis.

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	Consolidated financial statements						
	Segment 1		Segment 2		Segment 3		Total
	2019	2018	2019	2018	2019	2018	2019
	(in thousand Baht)						2018
For the year ended 31 December							
Information about reportable segments							
External revenue	31,843,167	28,068,406	851,461	733,019	1,120,527	1,207,833	32,770,994
Inter-segment revenue	186,975	120,912	47	274	2,997	3,334	124,520
Total segment revenue	32,030,142	28,189,318	851,508	733,293	1,123,524	1,211,167	32,895,514
Timing of revenue recognition							
At a point in time	-	-	851,508	733,293	1,123,524	1,211,167	4,706,196
Over time	32,030,142	28,189,318	-	-	-	-	28,189,318
Total revenue	32,030,142	28,189,318	851,508	733,293	1,123,524	1,211,167	32,895,514
Segment profit before income tax	15,631,946	13,259,837	358,748	315,436	564,870	608,827	15,374,008
Interest income	149,584	108,767	-	-	6,115	4,412	115,013
Finance costs	798,399	420,404	-	-	360	472	426,333
Depreciation and amortisation	6,330,777	5,680,892	70,934	30,831	194,971	180,835	5,905,735
Share of profit of investments in associates and joint ventures	1,292,258	987,151	-	-	-	-	987,151
Capital expenditure	7,680,720	7,590,802	147,483	198,605	33,781	129,701	7,964,677
Segment assets	125,257,550	122,612,675	412,227	238,982	1,187,514	1,273,596	131,931,806
Segment liabilities	35,304,951	36,002,680	29,917	14,200	307,977	178,866	36,961,259
For the year ended 31 December							
Separate financial statements							
	Segment 1		Segment 2		Segment 3		Total
	2019	2018	2019	2018	2019	2018	2018
	(in thousand Baht)						
Timing of revenue recognition							
At a point in time	-	-	333,825	260,518	-	-	333,825
Over time	16,222,490	15,281,386	-	-	-	-	15,281,386
Total revenue	16,222,490	15,281,386	333,825	260,518	-	-	15,541,904

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

	2019 (in thousand Baht)	2018	
Revenues			
Total revenue from reportable segments	36,909,411	32,895,514	
Other revenue	<u>1,870,585</u>	<u>2,685,672</u>	
	38,779,996	35,581,186	
Elimination of inter-segment revenue	<u>(190,019)</u>	<u>(124,520)</u>	
Consolidated revenue	<u>38,589,977</u>	<u>35,456,666</u>	
Profit			
Total profit for reportable segments	<u>17,594,064</u>	<u>15,374,008</u>	
Elimination of inter-segment profits	(116,039)	618,677	
Unallocated amounts:			
- Other revenue	1,708,950	2,570,659	
- Other expenses	(6,333,624)	(6,110,239)	
- Share of profit of associates and joint venture	<u>1,292,258</u>	<u>987,151</u>	
Consolidated profit before income tax	<u>14,145,609</u>	<u>13,440,256</u>	
Assets			
Total assets for reportable segments	135,244,103	131,931,806	
Other unallocated amounts			
- Investment	14,924,373	12,026,484	
- Deferred tax assets	2,226,344	1,899,879	
- Other assets	<u>17,538,214</u>	<u>15,849,657</u>	
Consolidated total assets	<u>169,933,034</u>	<u>161,707,826</u>	
Liabilities			
Total liabilities for reportable segments	36,323,360	36,961,259	
Other unallocated amounts			
- Loans	34,028,503	30,488,208	
- Deferred tax liabilities	1,974,786	2,035,483	
- Other liabilities	<u>17,144,122</u>	<u>18,047,139</u>	
Consolidated total liabilities	<u>89,470,771</u>	<u>87,532,089</u>	
	Reportable segment totals	Consolidated totals	
	Adjustment (in thousand Baht)		
Other material items			
2019			
Interest revenue	164,353	-	164,353
Finance costs	814,186	-	814,186
Depreciation and amortisation	6,613,363	-	6,613,363
Capital expenditure	7,858,266	-	7,858,266
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

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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 2,499 million (2018: Baht 1,429 million) of the Group's total revenues.

Contract Balances

	Consolidated financial statements		Separate financial statements	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
	<i>(in thousand Baht)</i>			
At 1 January 2019	-	(358,168)	-	-
Recognised as revenue during the year	-	2,761,793	-	-
Advance received	-	(2,683,537)	-	-
At 31 December 2018 and 1 January 2019	-	(279,912)	-	-
Recognised as revenue during the year	-	937,350	-	-
Advance received	-	(803,246)	-	-
At 31 December 2019	-	(145,808)	-	-

26 Other income

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Management income	5	740,336	767,035	1,043,859	927,984
Contribution income		172,875	221,245	147,289	210,587
Gain from sales of investments		310,231	24,684	309,881	27,342
Others		459,974	600,115	527,016	510,702
Total		1,683,416	1,613,079	2,028,045	1,676,615

27 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Salaries, wages and bonus		3,514,983	3,096,575	2,410,507	2,445,151
Defined benefit plans	22	202,261	56,736	161,730	41,667
Defined contribution plans		86,131	56,681	68,516	54,396
Other welfare		476,278	433,541	219,896	188,432
Total		4,279,653	3,643,533	2,860,649	2,729,646

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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.

28 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Depreciation and amortisation	14,15,17,18	7,116,899	5,905,735	3,126,550	3,019,601
Utility expenses		5,622,563	5,204,444	3,556,756	3,393,182
Employee benefit expenses	27	4,279,653	3,643,533	2,860,649	2,729,646
Rental expenses		2,657,484	2,235,473	1,557,680	964,536
Cost of sale of real estate		1,833,045	1,565,355	-	-
Marketing expenses		1,326,794	1,263,515	801,518	947,028
Repair and maintenance		874,835	829,190	462,784	442,697
Consulting and other fees		488,308	482,363	288,177	321,183
Finance costs	29	811,469	426,333	1,183,462	1,184,608
Others		725,576	1,447,620	640,989	873,333
Total		25,736,626	23,003,561	14,478,565	13,875,814

29 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Interest expense					
- Related parties	5	-	-	456,941	852,770
- Financial institutions and institutional investors	5	1,040,076	546,354	704,634	364,438
Fee for financial institutions and institutional investors		37,380	120,024	27,956	23,648
Total finance costs		1,077,456	666,378	1,189,531	1,240,856
<i>Less</i> amounts included in the cost of assets:					
- Real estate projects under development	9	(126,718)	(90,318)	-	-
- Investment properties, property plant and equipment and leasehold rights		(139,269)	(149,727)	(6,069)	(56,248)
		(265,987)	(240,045)	(6,069)	(56,248)
Net		811,469	426,333	1,183,462	1,184,608

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30 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	2,741,412	2,338,360	1,203,940	965,973
Deferred tax expense				
Movements in temporary differences	(405,054)	(281,458)	(162,768)	(120,459)
Total	2,336,358	2,056,902	1,041,172	845,514

Consolidated financial statements						
	2019		2018			
Income tax	Before tax	Tax benefit	Net of tax	Before tax	Tax expense	Net of tax
	<i>(in thousand Baht)</i>					
Recognised in other comprehensive income						
Actuarial losses	-	-	-	33,105	(6,621)	26,484
Unrealised (gain) loss from investment	(89,457)	17,891	(71,566)	271,149	(50,298)	220,851
Total	(89,457)	17,891	(71,566)	304,254	(56,919)	247,335

Separate financial statements						
	2019		2018			
Income tax	Before tax	Tax benefit	Net of tax	Before tax	Tax expense	Net of tax
	<i>(in thousand Baht)</i>					
Recognised in other comprehensive income						
Actuarial losses	-	-	-	17,350	(3,470)	13,880
Unrealised (gain) loss from investment	(88,245)	17,649	(70,596)	271,746	(53,133)	218,613
Total	(88,245)	17,649	(70,596)	289,096	(56,603)	232,493

Reconciliation of effective tax rate				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>Tax rate (%)</i>	<i>(in thousand Baht)</i>	<i>Tax rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		14,145,609		13,448,195
Income tax using the tax rate	20	2,829,122	20	2,689,639
Income not subject to tax		(689,117)		(577,138)
Additional deductible expenses for tax purposes		(132,672)		(144,400)
Expenses not deductible for tax purposes		127,955		29,028
Elimination in consolidated financial statement from income not subject to tax		201,070		59,773
Total	17	2,336,358	15	2,056,902

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<i>Reconciliation of effective tax rate</i>	Separate financial statements			
	2019		2018	
	<i>Tax rate (%)</i>	<i>(in thousand Baht)</i>	<i>Tax rate (%)</i>	<i>(in thousand Baht)</i>
Profit before total income tax expense		19,656,646		8,408,691
Income tax using the tax rate	20	3,931,329	20	1,681,738
Income not subject to tax		(2,828,020)		(770,790)
Additional deductible expenses for tax purposes		(71,538)		(69,177)
Expenses not deductible for tax purposes		9,401		3,743
Total	6	1,041,172	12	845,514

<i>Deferred taxes At 31 December</i>	Consolidated financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
		<i>(in thousand Baht)</i>		
Total	2,328,906	2,109,927	(102,562)	(210,048)
Set off of tax	(102,562)	(210,048)	2,077,347	2,245,531
Net deferred tax assets (liabilities)	2,226,344	1,899,879	1,974,785	2,035,483

<i>Deferred tax At 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
		<i>(in thousand Baht)</i>		
Total	1,113,180	1,011,549	(120,137)	(163,625)
Set off of tax	(120,137)	(163,625)	120,137	163,625
Net deferred tax assets	993,043	847,924	-	-

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Deferred tax	Consolidated financial statements			At 31 December
	At 1 January	(Charged) / credited to: Profit or loss Other comprehensive income (in thousand Baht)		
2019				
Deferred tax assets				
Trade accounts receivable (allowance for doubtful accounts)	8,600	(3,434)	-	5,166
Real estate under development (allowance for impairment)	3,285	(242)	-	3,043
Investment properties (allowance for impairment)	20,140	-	-	20,140
Investment properties (shopping building under consignment sale agreement)	357,828	(9,739)	-	348,089
Leasehold rights (difference from recognition of rental expenses by straight-line method)	395,903	43,907	-	439,810
Provisions for employee benefits	88,880	38,622	-	127,502
Deposits received from customers	806,642	18,980	-	825,622
Loss carry forward	147,504	82,495	-	229,999
Unrealised loss from investment	50,298	-	(17,891)	32,407
Others	230,847	66,281	-	297,128
Total	2,109,927	236,870	(17,891)	2,328,906
Deferred tax liabilities				
Gain on lease under finance lease	(210,048)	107,486	-	(102,562)
Real estate under development	(417,992)	60,698	-	(357,294)
Investment properties	(1,617,491)	-	-	(1,617,491)
Total	(2,245,531)	168,184	-	(2,077,347)
Net	(135,604)	405,054	(17,891)	251,559

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<i>Deferred tax</i>	Consolidated financial statements (Charged) / credited to:				At 31 December
	At 1 January	Profit or loss	Other comprehensive income (in thousand Baht)	Acquisition through business Combinations	
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)

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Deferred tax	At 1 January	Separate financial statements (Charged) / credited to:		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2019				
Deferred tax assets				
Trade accounts receivable <i>(allowance for doubtful accounts)</i>	6,441	(2,780)	-	3,661
Leasehold rights <i>(difference from recognition of rental expenses by straight-line-method)</i>	389,410	25,993	-	415,403
Provisions for employee benefits	72,964	30,711	-	103,675
Deposits received from customers	422,111	10,480	-	432,591
Others	120,623	37,227	-	157,850
Total	1,011,549	101,631	-	1,113,180
Deferred tax liabilities				
Gain on lease under finance lease	(216,758)	61,137	-	(155,621)
Unrealised loss from investment	53,133	-	(17,649)	35,484
Total	(163,625)	61,137	(17,649)	(120,137)
Net	847,924	162,768	(17,649)	993,043

Deferred tax	At 1 January	Separate financial statements (Charged) / credited to:		At 31 December
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2018				
Deferred tax assets				
Trade accounts receivable <i>(allowance for doubtful accounts)</i>	3,875	2,566	-	6,441
Leasehold rights <i>(difference from recognition of rental expenses by straight-line-method)</i>	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
Deferred tax liabilities				
Gain on lease under finance lease	(276,504)	59,746	-	(216,758)
Unrealised loss from investment	-	-	53,133	53,133
Total	(276,504)	59,746	53,133	(163,625)
Net	670,862	120,459	56,603	847,924

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31 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2019 and 2018 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	
	2019	2018	2019	2018
	<i>(in thousand Baht/thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	11,738,405	11,215,652	18,615,474	7,563,177
Number of ordinary shares outstanding	4,488,000	4,488,000	4,488,000	4,488,000
Basic earnings per share (in Baht)	2.62	2.50	4.15	1.69

32 Dividends

At the annual general meeting of the shareholders of the Company held on 26 April 2019, the shareholders approved a resolution to approve the appropriation of dividend from operating result in 2018 of Baht 1.1 per share, amounting to Baht 4,936.6 million. The dividend was paid to the shareholders in May 2019.

At the 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. The dividend was paid to the shareholders in May 2018.

33 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.

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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.

<i>Assets and liabilities denominated in the foreign currency as at 31 December</i>	<i>Note</i>	Consolidated financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
<i>Hong Kong Dollars</i>			
Cash and cash equivalents	6	848	1,560
Other receivables		6	6
Other payables	21	(315)	(380)
Gross balance sheet exposure		539	1,186
<i>Ringgit Malaysia</i>			
Cash and cash equivalents	6	51,402	16,533
Other receivables		27,413	115,136
Other non-current assets	19	16,011	8,387
Trade accounts payable		(50,564)	(21,627)
Contractor payable		(442)	(4,069)
Other payables	21	(957,163)	(1,084,634)
Gross balance sheet exposure		(913,343)	(970,274)
<i>United States Dollars</i>			
Cash and cash equivalents	6	209,147	-
Other receivables		4	-
Other non-current assets	19	6,125,532	-
Other payables	21	(168)	-
Gross balance sheet exposure		6,334,515	-
Net exposure		5,421,711	(969,088)

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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.

	Carrying amount	Consolidated financial statements			
Fair value			Total		
Level 1		Level 2		Level 3	
(in thousand Baht)					
31 December 2019					
<i>Financial assets and financial liabilities measured at fair value</i>					
Equity securities available for sale	1,494,137	1,494,137	-	-	1,494,137
Investments in marketable unit trusts classified as available-for-sale investments	1,138,780	-	1,138,780	-	1,138,780
<i>Financial assets and financial liabilities not measured at fair value</i>					
Short-term loans from financial institutions	(4,970,000)	-	-	(4,967,385)	(4,967,385)
Current portion of loans from financial institutions and institutional investors	(3,769,203)	-	(1,409,650)	(2,387,178)	(3,796,828)
Loans from financial institutions and institutional investors	(24,470,814)	-	(2,494,855)	(22,342,909)	(24,837,764)

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		Consolidated 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	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)
		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2019					
<i>Financial assets and financial liabilities measured at fair value</i>					
Equity securities available for sale	1,494,137	1,494,137	-	-	1,494,137
Investments in marketable unit trusts classified as available-for-sale investments	534,100	-	534,100	-	534,100
<i>Financial assets and financial liabilities not measured at fair value</i>					
Investment in funds	5,443,793	-	8,237,706	-	8,237,076
Short-term loans from financial institutions	(3,600,000)	-	-	(3,599,892)	(3,599,892)
Current portion of loans from financial institutions and institutional investors	(2,369,203)	-	-	(2,387,178)	(2,387,178)
Loans from financial institutions and institutional investors	(19,480,968)	-	-	(19,840,065)	(19,840,065)

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	Carrying amount	Separate 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	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)

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.

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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 3 (s).

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.

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34 Leasing properties

Additional leased properties to CPN Retail Growth Leasehold REIT (“CPNREIT”)

On 9 October 2019, at the Board of Directors meeting approved CPNREIT to lease the Group’s assets 5 projects namely Central Marina project, CentralPlaza Lampang project, CentralPlaza Surat Thani projects, CentralPlaza Ubon Ratchathani project and CentralPlaza Rama 2 project (Renewal period). As the lease of assets to CPNREIT fall within the meaning of the disposition of assets based on the value of the consideration given or received basis, calculated using the basis of the total value of consideration, which represents the highest transaction value, compared to all other approaches required by the Notifications on Asset Acquisition or Disposal. The highest amount of such transaction invested by CPNREIT is estimated Baht 48,560 million.

CPN Retail Growth Leasehold REIT (“CPNREIT”)

At the Extraordinary General Meeting of Unitholders’ of CPNREIT held on 22 November 2019, had significant resolutions as follows:

1. To approve of additional investments in 5 projects namely CentralMarina project, CentralPlaza Lampang project, CentralPlaza Surat Thani project, CentralPlaza Ubon Ratchathani project, and CentralPlaza Rama II project (Renewal period) (“Group-1 Assets”) from the Group with the total investment value of not exceeding Baht 48,560 million and appoint the Company as a Property manager.
2. To approve of additional investments in 2 projects namely The Ninth Towers Office Building project and Unilever House Office Building project (“Group-2 Assets”) from GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”) with the total investment value of not exceeding Baht 7,430 million and appoint Grand Canal Land Public Company Limited (“GLAND”) and Sterling Equity Company Limited (“Sterling”) as a Property manager.
3. To approve an amendment of the Property Manager Appointment Agreement for the assets currently invested in by CPNREIT, which are CentralPlaza Rama II project, CentralPlaza Rama III Project, Central Plaza Pinklao project, CentralPlaza Chiangmai Airport project, Central Festival Pattaya Beach project.

GLAND Office Leasehold Real Estate Investment Trust (“GLANDRT”)

At the Extraordinary General Meeting of Unitholders’ of GLANDRT held on 22 November 2019, had resolution to acknowledge the timeline of transferred properties of GLANDRT to CPNREIT and delisting from the Stock Exchange of Thailand of trust units of GLANDRT. In addition, unitholders approved the dissolution, liquidation, and delisting from being listed securities on the Stock Exchange of Thailand to be completed within April 2020.

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CentralPlaza Rama 2 project (Renewal period)

In December 2019, Central Pattana Rama 2 Company Limited, a subsidiary company, entered into a lease property agreement of CentralPlaza Rama 2 project (partial) with CPNREIT, for a lease period of 30 years, starting from 16 August 2025 to 15 August 2055, CPNREIT will pay the rental throughout the lease term of Baht 25,394 million in 2025 and have to place the guarantee to the Group of Baht 1,800 million within the specified period in the contract. The lease agreement can be renewed according to the mutually agreed conditions by informing a written notice at least 12 months in advance before the expiration of the rental period. Assets under lease agreements are as follows:

- Leasing part building and structures of CentralPlaza Rama 2, including part of the shopping center and the indoor parking area
- Leasing the system relevant to the building and structures of CentralPlaza Rama 2.
- Selling the furniture, fixture and equipment.

35 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Capital commitments				
Contracted but not provide for Buildings and facility systems	606	2,079	271	358
Future minimum lease payments under non-cancellable operating leases				
Within 1 year	877	847	167	157
1 - 5 years	4,105	3,780	753	689
After 5 years	41,786	40,580	6,012	6,228
Total	46,768	45,207	6,932	7,074
Other commitments				
Bank guarantees	750	780	378	424
Service agreement	156	47	-	-
Real estate projects under development agreements	1,325	1,100	-	-
Aval	-	1,790	-	-
Total	2,231	3,717	378	424

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

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

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

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

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

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- (g) In 2003, the Group entered into a land with structure lease agreement with other party. The lease agreement was for a period of 30 years ending in December 2032. Under the conditions of the agreement, the Group has to pay a monthly rental. The agreement can be renewed for another 30-year period as mutually agreed rate and compensation. The lessor obtained the ownership rights of additional structures started from the date of lease agreement.

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

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

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

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

- (h) In 2005, the Group entered into a land lease agreement with a local company for the construction of shopping center and parking building. The lease agreement was for a period of 28 years 10 months ending in September 2034. Under the conditions of the agreement, the Group has to pay a monthly rental from September 2006. The rental will be increased every five years at the rate of 5% of the latest month rental. The lease agreements can be renewed by giving written notification in advance not less than six months prior to expiration of the lease agreement as mutually agreed rate and compensation.

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

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On 9 August 2007, the Group entered into a land with structure lease agreement with other party. The lease agreement was for the period of 30 years ending in 31 August 2037. Under the conditions of the agreement, the Group has to pay an annual rental. The rental will be increased every five years at the rate of 35% of the latest monthly rental. The lease agreement can be renewed by giving written notification in advance not less than one year prior to expiration of the agreement.

During 2015, the Group entered into a land lease agreement with other party. The lease agreement was for a period of 3 years, ending on 31 March 2018. Under the conditions of the agreement, the Group has to pay a monthly rental. The lease agreement can be renewed as mutually agreed conditions by giving written notification in advance not less than 60 days prior to the expiration of the agreement.

- (i) The Group entered into two lease agreements with other parties for the construction of shopping centers for lease. The first land lease agreement was for a period of 2 years commencing 21 June 2012 to 20 June 2014. Under the conditions of the agreement, the Group has to pay annual rental of Baht 1.5 million. The second agreement is a land lease agreement for the period of 30 years from 21 June 2014 to 20 June 2044. Under the conditions of the agreement, the Group has to pay monthly rental which will be increased every three years at the rate of 15%. This agreement can be renewed as mutually agreed conditions by giving written notification in advance not less than three months from the notification date from the lessor.
- (j) The Group entered into a land lease agreement with other parties for the construction of shopping centers for lease. The land lease agreement was for a period of 30 years ending in September 2043. Under the conditions of the agreement, the Group had to pay advance rental and annual rental. The rental will be increased every five years at the rate of 15% of the latest annual rental. The lease can be renewed for another 10-year period by entering into the agreement in advance 2 years prior to expiration of the lease agreement as the mutually agreed rate and compensation.
- (k) On 25 September 2013, the Company entered into the first memorandum of understanding to amend the lease agreement with other party dated 19 August 2011 as described in (g) by amending the renewal period from the 30 years to 38 years after the expiration of the lease period. The lease conditions will be the same, except that the rental charges would be divided into two phases, 8 years and 30 years, respectively, under the following conditions:
 - The first 8-year phase after the expiration of the lease period, the lessee has to give a written notification and has enter into a renewal agreement or a new lease agreement within 22 December 2029, by paying annual rental under the conditions as stated in the lease agreement.
 - The 30-year phase after the expiration of the first 8-year term, under the conditions of the lease agreement, the Company has to give a written notification to the lessor within 22 December 2035 in order to fix a new rate of the rental charge, also to enter into the renewal agreement, or the new lease agreement within 22 December 2037.
- (l) The Company entered into a land lease agreement with other party for construction of a shopping center for lease. The lease agreement was for a period of 30 years ending in September 2045. Under the conditions of the agreement, the Company had to pay advance rental and annual rental. The rental will be increased every three years at the rate of 15 % of the latest annual rental.
- (m) The Company entered into several land lease agreements with other party for construction of a shopping center for lease. The lease agreements were for a period of 30 years. However, these agreements can be extended for another 10 years and ending in June 2056. Under the condition of the agreement, the Company has to pay annual rental. The rental will be increased every three years at the rate of 10 % of the latest annual rental.

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- (n) The Company entered into sublease land agreements, utility system service agreements and shopping center lease agreement with a local company, for a period of 20 years ending on 30 April 2035. Under the conditions of the agreements, the Company had to pay for leasehold right in the amount of Baht 292.1 million and annual rental throughout the agreement period totalling Baht 1,239.7 million and the monthly service fee throughout the agreement period totalling Baht 62.5 million.
- (o) The Company entered into a land lease agreement with other party for construction of a shopping center. The lease agreement was for a period of 30 years and ending in June 2046. Under the conditions of the agreement, the Company has to pay annual rental which will be increased every ten years. In 2016, the Company entered into the lease agreement extension for another 10 years. The agreement will end in June 2056.
- (p) The Group entered into a land lease agreement with other party for a period of 30 years commencing after the construction period (from July 2017 to July 2024) and ending in June 2054. The agreement can be extended for another 29 years 6 months ending in December 2083. The rental throughout the agreement period is totalling Baht 8,234.3 million.
- (q) The Group entered into a land lease agreement with other party for a period of 30 years commencing in January 2021 and ending in December 2050. The agreement can be extended for another 30 years. Under the conditions of the agreements, the Company had to pay for leasehold right to the lessor in the amount of Baht 175 million and annual rental throughout the agreement period totalling Baht 575 million. Subsequently, the Group entered into a memorandum addendum of land lease agreement which defined the Company to pay additional land rental totalling Baht 160 million.

36 Litigation

- (a) In During 2015, Bayswater Company Limited (“Joint venture”) was received the title of Bangkok Dome Project by winning the public auction at the price of Baht 7,350 million. After that the debtor in bankruptcy case (“Debtor”) requested the court to revoke 3 public auction cases. In this regard, the Supreme Court has dismissed 2 petition pleas of debtor and creditor. Therefore, there is 1 remaining case that the debtor and unsecured creditor of 2 debtors have filed a plea to the Central Bankruptcy Court (“Court”) requesting the Court to revoke the public auction that the Joint venture has won and to suspend the compulsory execution during trial of such revocation. Giving the reason that the official receiver sold the property to the Joint venture at the price that is much lower than the current market price. The Court directed to hold the case in abeyance and staying the execution pending the Supreme Court's decision in other relevant case. In which the Supreme Court has completed the decision of other cases, this case has been returned to the trial again. On 8 November 2018, the Court dismissed the plea. On 26 December 2018, the 1st applicant filed an appeal against the Central Bankruptcy Court decision and directed to forward the case to the Court of Appeal for Specialized Cases for further decision. Meanwhile the 2nd and 3rd applicants were allowed for the time extension to file an appeal until 8 February 2019. On 23 January 2019, the 1st applicant filed the request to withdraw an appeal, while the 2nd and 3rd applicants waived their right to appeal. This case is closed, and the Central Bankruptcy Court has issued the final disposition on March 2019.

During 2017, joint venture was being sued in a civil lawsuit by an individual person who request joint venture to register use of the entrance as a prescriptive servitude. In April 2018, the Civil Court dismissed such request and the Appeal Court affirmed the Civil Court decision in February 2019. And, in January 2020, the Supreme Court has ordered not to allow such individual person to petition. The case is closed.

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During 2017, joint venture was being sued in a civil lawsuit by an individual person who request joint venture to register use of the entrance as a prescriptive servitude or as the public road. In March 2018, the Civil Court dismissed such request and the Appeal Court affirmed the Civil Court decision in January 2020. However, such individual person has the right to make a final appeal to the Supreme Court.

During the year 2017, joint venture was being sued in a civil lawsuit by an individual person on the ground of alleged encroachment, mischief and burglary whereby the Criminal Court dismissed the plea in 2018. Therefore, in 2019, the individual person has filed the request for the time extension to appeal and the Appeal Court allowed. In April 2019, the Group filed the objection and the Appeal Court sustained the decision of the case dismissal in February 2020. However, such individual person has the right to make a final appeal to the Supreme Court.

- (b) During 2015, the Group was being sued in a civil lawsuit by a juristic person (“Complainant”) requesting the compensation under the lease and service agreements in the approximately amount of 193.2 million baht. The Appeal Court directed that no compensation be made this case but to return the rental and service deposit including the interest totaling approximately 2.7 million baht to the Complainant. However, the Group and the Complainant filed an appeal to the Supreme Court in 2017. Therefore, the Supreme Court sustained the Appeal Court’s decision in April 2019. In this regard, the outcome of the case has no significant impact on the overall financial statements. The Group has returned the rental and service deposit including the interest totaling approximately 2.7 million baht to the Complainant. The case is closed.
- (c) During 2018, the Group was being sued in a civil lawsuit by a juristic person (“Complainant”) requesting the damages resulting from a breach of contract in the amount of approximately 201.8 million Thai Baht. Therefore, both parties have reached the settlement agreement at the court in September 2019. The case is closed.

37 Events after the reporting period

- 37.1 In January 2020, the Company renewed a service agreement with Hang Central Department Store Co., Ltd., a related party, for business consulting and setting policies on business operation of the Company. The agreement was for a period of 3 years ending in 31 December 2022. Under the conditions of the agreement, the Company had to pay monthly service fee at rate 0.55% of the revenues from property assets managed by the Company that comprise of rental and service income, food and beverage income and property management fee income. The sum of the maximum service fees paid throughout the agreement term will not exceed Baht 784.3 million.
- 37.2 In January 2020, the Company informed the payment of remaining shares of Bayswater Company Limited (“Bayswater”), a joint venture between Ratchada Assets Holding Limited (Indirect subsidiary) and BTS Group Holdings Public Company Limited (“BTS Group Holdings”) in proportion of 50 : 50 which in accordance with the conditions in the Share Purchase Agreement and other relevant agreements as discussed in Note 13.
- 37.3 In January 2020, the Company issued bills of exchange totalling Baht 3,000 million. The bills of exchange have term to maturity of 2 months, maturing in March 2020.
- 37.4 In February 2020, the Company entered into the sublease property agreement with Thai Business Fund 4 (Sublessor) for a period of 12 years 11 months, ending in December 2032. Under the conditions in agreement, the Company will make an advance rental payment or will pay monthly rental totalling Baht 17,328 million. The sublease agreement can be renewed following the head lease agreement for a period of 8 years, ending in December 2040.

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37.5 On 13 February 2020, the Board of Director's meeting of GLAND Office Leasehold Real Estate Investment Trust ("GLANDRT") had passed resolutions as follows:

- Dividend payment from the operation period from 1 October 2019 to 31 December 2019 to the trust unitholders at the rate of Baht 0.2078 per trust unit, totalling Baht 103.85 million which will be paid to the trust unitholders on 12 March 2020.
- To pay benefits from the disposal of assets of the Trust to the trust unitholders at the rate of 3.9040 Baht per unit, totalling Baht 1,951.10 million. Such benefits will be paid to the trust unitholders on 12 March 2020.
- To reduce the paid-up capital of the Trust at the rate of 9.1200 Baht per unit Trust, totalling Baht 4,557.89 million. Such benefits will be paid to Trust unit holders on 12 March 2020.
- Decided to set the date to determine the list of GLANDRT's trust unitholders eligible to subscribe to CPNREIT's Additional Trust Units (to post XB sign) on 25 February 2020 and set the book closing date to determine the rights of GLANDRT's trust unitholders eligible to subscribe to Additional Trust Units on 27 February 2020.

37.6 At the Board of Directors' Meeting of the Company held on 20 February 2020, directors have passed the resolutions as follows:

- Approve the share repurchase project for financial management purposes with the number of shares to be repurchased not exceeding 77 million shares or equal to the amount of not exceeding 1.7 of the total paid up capital of the Company and the maximum amount not exceeding Baht 5,000 million. The share repurchase will be conducted through the Stock Exchange of Thailand during 6 March 2020 - 5 September 2020.
- Approved the dividend payment against the 2019 performance outcomes at Baht 1.30 per share. The record date for the right to receive dividend will be on 1 April 2020.

38 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.

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(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. As at 31 December 2019, the Group's and Company's future minimum lease payments under non-cancellable operating leases amounted to Baht 68,418 million and Baht 26,543 million, respectively, on an undiscounted basis. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.

39 Reclassification of accounts

	2018					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	(in thousand Baht)					
Statement of financial position						
Trade accounts payable	(2,123,681)	341,227	(1,782,454)	-	-	-
Contractor payables	(2,930,778)	(341,227)	(3,272,005)	-	-	-
Current provisions for employee benefits	(30,366)	30,366	-	(24,953)	24,953	-
Non-current provisions for employee benefits	(430,964)	<u>(30,366)</u>	(461,330)	(339,330)	<u>(24,953)</u>	(364,283)
		<u>-</u>			<u>-</u>	
Statement of comprehensive income						
Revenue from rental and service	(28,068,405)	(957,450)	(29,025,855)	(14,835,883)	(445,502)	(15,281,385)
Revenue from food and Beverage	(1,849,088)	1,849,088	-	(666,542)	666,542	-
Revenue from food center services	-	(733,018)	(733,018)	-	(260,517)	(260,517)
Other income	(2,570,529)	957,450	(1,613,079)	(2,122,117)	445,502	(1,676,615)
Cost of food and beverage	1,448,220	(1,448,220)	-	518,936	(518,936)	-
Cost of food center services		<u>332,150</u>	332,150		<u>112,911</u>	112,911
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

AUDITOR'S REMUNERATION

AUDITOR'S REMUNERATION

In 2019 audit fee out of the Company and its subsidiaries has been paid for audit firm that the auditor work for amounted to 11,465,000 Baht

OTHER SERVICE FEE

None.



Along with environmental-friendly manufacturing process, this printing media is printed using Green Ocean paper and soy ink. The overall production helps to reduce Kg.CO₂eq to turning off 100 light bulbs in one day.



CENTRAL PATTANA

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