



- Translation -

No. 51/2016/069

December 7, 2016

Subject: Resolutions of the Board of Directors Meeting on Connected Transactions

To: The President,  
The Stock Exchange of Thailand

Enclosure: Information on Connected Transaction: The renewal of the Service Agreement with Harnng Central Department Store Ltd.

With reference to the Board of Directors of Central Pattana Public Company Limited ("CPN") in meeting No. 8/2016, held on December 7, 2016, the Board has approved the renewal of the Service Agreement with Harnng Central Department Store Ltd. ("HCDS"), a connected party, for business consulting, setting policies, as well as, advising on business operation. The agreement will be effective for three years from January 1, 2017 to December 31, 2019 (see Enclosure).

Your acknowledgment of this matter would be appreciated.

Sincerely,

*-Ampawee Chompoopongkasem-*  
(Ms. *Ampawee Chompoopongkasem*)  
Company Secretary

**Information about the Connected Transaction**  
**on the renewal of the Service Agreement with Harn Central Department Store Ltd.**

**1. Transaction date**

Effective from January 1, 2017 to December 31, 2019

**2. Contract parties and relationship**

Service receiver : Central Pattana Plc. or its subsidiaries ("CPN")

Service provider : Harn Central Department Store Ltd. ("HCDS")

Relationship : Both parties have a common major shareholder, namely the Chirathivat group (ordinary persons and juristic person), which holds 53% shares in CPN and wholly owns HCDS.

**3. Transaction details and nature**

- 1) Renewal of the service agreement with HCDS ended December 31, 2016 for a period of three years commencing January 1, 2017 to December 31, 2019.
- 2) A monthly service fee to HCDS amounted to 0.55% of CPN's revenues from property assets managed by CPN that comprise of rental and service income, food and beverage income and property management fee income. The renewed service fee rate is the same as the rate of previous agreement.
- 3) The minimum and maximum of the monthly service fees for the year 2017, 2018 and 2019 are equivalent to the growth rate of 10% per year (10%/ 10%/ 10%). The details are as follows:

| Period                              | Service Fee (Baht/Month) |            |
|-------------------------------------|--------------------------|------------|
|                                     | Minimum                  | Maximum    |
| January 1, 2017 – December 31, 2017 | 10,475,686               | 15,702,947 |
| January 1, 2018 – December 31, 2018 | 11,523,255               | 17,273,241 |
| January 1, 2019 – December 31, 2019 | 12,675,580               | 19,000,565 |

**4. Gross transaction value**

The sum of the maximum service fees paid during the three-year contract term will not exceed Baht 623,721,036, or equivalent to 1.25% of the net value of tangible assets based on the consolidated financial statements of September 30, 2016.

#### **5. Basis for calculating the total transaction value and other compensation**

Based on the service provider's expenses in proportion to the effort that the service provider makes in providing the underlying services.

#### **6. Opinions of the Board and the Audit Committee**

Excluding directors with vested interests in this transaction, the Board and the Audit Committee have concurred that services provided by HCDS are beneficial to CPN's business operations. HCDS's know-hows and long experience in retail business have proved supportive of CPN's continuous growth and achieving fair financial and non-financial performance. In addition, the service fee and the terms and conditions of the service agreement are appropriate according to HCDS's historical performance. The Board therefore approved the renewal of service agreement between CPN and HCDS. The directors with vested interests neither attended this meeting nor voted on this transaction engagement.