

Press Release

CPN reported continuous growth for the 9M17 performance.

Bangkok, – 24 November 2017: Central Pattana Public Company Limited (CPN) announced the 9M17 performance with total revenues of 26,542 MB, grew by 22% YoY, and net profit of 11,242 MB, up 60% YoY, mainly from non-recurring item in 3Q17, namely the insurance claim. Excluding the non-recurring item, CPN reported total revenues of 23,042 MB, up 6% YoY, and net profit of 7,742 MB, up 10% YoY, while 3Q17 consolidated total revenues of 7,698 MB, up 5% YoY and net profit of 2,483 MB, up 6% YoY. Moreover, CPN is the first and only Thai company in the real estate sector to be selected as a member of the DJSI Emerging Markets for four consecutive years, reflecting the effectiveness of its operations and ability to firmly and sustainably grow its business.

Ms. Naparat Sriwanvit, Chief Financial Officer and Senior Executive Vice President - Finance, Accounting & Risk Management of CPN mentioned that “CPN continued to report the solid growth of both revenue and net profits from the first 9 months. In 3Q17, consolidated total revenues stood at 7,698 MB, up 5.2% YoY, and net profit at 2,483 MB, up 6.0% YoY. Major contributors to our revenues came from strong performances at the new shopping mall, existing malls, and resumption of renovated malls. At the end of 3Q17, the occupancy rate for CPN’s retail properties was at 91%, a slight decrease from 92% in the previous quarter, as a result of major renovations at CentralWorld and CentralPlaza Rama 3. However, CPN continued to demonstrate efficient costs and administrative expense management, which contributed to successively solid growth of both total revenues and net profit. More importantly in September, CPN was selected to be the member of DJSI (Dow Jones Sustainability Indices) Emerging Markets for the fourth consecutive year and also won the award “Thailand’s Top Corporate Brands 2017”, the award granted to the company with the highest growth rate of corporate brand value, for the fourth consecutive year. This is an affirmation of our long-term commitment to sustainable development, business transparency, social responsibility, innovation, human capital development as well as our endeavor in creating value for society, communities and all stakeholders to demonstrate sustainable growth.

Progress was made regarding the conversion of CPN Retail Growth Leasehold Property Fund (“CPNRF”) into CPN Retail Growth Leasehold REIT (“CPNREIT”). At the Unitholders’ Meeting of

CPNRF on 28 August 2017, the meeting passed a resolution to approve the conversion of CPNRF into CPNREIT, as well as the lease of CentralFestival Pattaya Beach shopping mall (certain parts) and Hilton Pattaya to CPNREIT for the period of 20 years, for the net asset price of THB 11,908 mn. Currently, it is in the process of seeking an approval from the Office of the Securities and Exchange Commission (SEC) and the conversion process is expected to be completed by the end of 2017.

This year CPN launched 2 new shopping centers, namely CentralPlaza Nakhon Ratchasima and CentralPlaza Mahachai. CentralPlaza Nakhon Ratchasima, the 31st shopping center of CPN, is the largest mixed-use project in the Northeast, consisting of shopping center, convention hall, Escent condominium, outdoor lifestyle market and a new town square on the green space. The project is situated on 65 rai of land and the grand opening event was launched on 3 November 2017 under the concept '**Live life to the extreme**'. CPN aim to develop this project to be lifestyle destination and '**Center of Life**' for people in Korat, Isan and the Northeastern region, a place where all demands and lifestyle meet. Moreover, CPN invest this project to embracing government plans to support Korat as the gateway of Isan, that connects 20 provinces in northeastern Thailand and AEC countries. Ultimately, CPN aims to make CentralPlaza Nakhon Ratchasima a center of complete trade and tourism destination that supports the economic capabilities in the Korat region, thus becoming the 'Mahanakorn of Isan'.

For CentralPlaza Mahachai, CPN's 32nd shopping center, situated on over 98 rai of land in Meuang District, Samut Sakhon province on the main route toward major tourist destination Cha-am, Huahin and other attractions in southern Thailand. The project designed concept amazingly under the theme of '**MAHANAVA**', a ship that brings happiness and a symbolic representation of the Samut Sakhon province, known for its seafood abundance. CPN aims to help strengthen the potential of Samut Sakhon by developing CentralPlaza Mahachai as a new lifestyle destination for the Mahachai people and a seafood destination for the Bangkokians, hence known as 'The Best Highway Destination' for travelling locals and tourists. The highlight of this project are '**EATALAY**', the one and only seafood market in Mahachai that puts together the most popular seafood restaurants of Samut Sakhon in one place, serving freshness seafood from the sea directly to table and cooked by skilled chefs creating a plethora of special dishes suitable for all type of parties. The other highlight is the '**Sam-Samut Market**', the best souvenir center with a wide range of products and OTOP from both Mahachai and nationwide. CentralPlaza Mahachai will be the best highway destination a stopover point for travelers to refresh themselves with the completed product and services from Central Group, tenant shops and food destination and also provide the best and clean toilet with the wonderful concept of "Fishing Village".

Aside developing new projects, CPN also emphasizes on asset enhancement through continuous renovation of existing malls, which include major renovation work and re-zoning to add value and improve customer experiences. The shopping malls currently under renovation and are expected to complete in 2018 comprise CentralWorld and CentralFestival Phuket. Projects under CPNRF that are undergoing renovation and expected to complete by the end of 2017 comprise CentralPlaza Rama 3, CentralPlaza Chiangmai Airport, and CentralPlaza Rama 2.

By the end of November, CPN manages a total of 32 shopping centers (14 projects in Bangkok & greater Bangkok and 18 projects in provinces) 28 food parks, 7 office towers, 2 hotels and 1 residential property, including those that had been transferred to CPNRF Fund and CPNCG Fund, of which CPN acts as the property manager. CPN has new projects under construction and expected to launch within 2018, namely Central Phuket in the first half of the year and Central i-City, CPN's first overseas project in Shah Alam, Selangor Darul Ehsan, Malaysia under the joint venture arrangement in which CPN holds a sixty-percent (60%) stake and its partner, I-R&D Sdn. Bhd., a subsidiary of I-Berhad, holds forty-percent (40%).

Apart from shopping centers, CPN is developing condominiums under the brand "ESCENT" on the same premises of CPN's shopping complex in Chiangmai, Khonkaen and Rayong projects, which are under construction and achieved 100% sold-out status and expected to be ready for transfer in 1Q18 onwards. Moreover, CPN announced the presales of 3 additional condominiums, namely Escent Nakhon Ratchasima (pre-sale on 3 November), which is successfully sold out within 4 days after presale, and Escent Chiangrai (pre-sale on 16 November) and Escent Chiangmai 2 (pre-sale on 29 November). These three new projects will start construction in early 2018 and is expected to be ready for transfer in 2019.

Under its 5-year plan (2017-2021), CPN aims to increase its revenues at a compound annual growth rate (CAGR) of 14-15% per annum through 2-3 new projects a year, 2-3 residential projects a year, 2-3 asset enhancement projects a year to add value to existing malls, regular rent increases, and operating efficiency gains. Meanwhile, CPN has studied on opportunities for investments in Southeast Asia and developed new shopping mall formats and concepts to capture with customers' trends and lifestyles and to ensure consistent and sustainable growth of business going forward.